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GENERAL

12 on

Israeli coalition faces threat

A tresh rift in the Israeli conlition government of Mr Shimon Peres has intensified and threatens to bring down his five-month-old

The right-wing Likud bloc, one of the main pillars of the unity govern-ment, has reaffirmed its determination to support a demand from Shas, an ultra-orthodox faction that quit the coalition last weekend, that it have control over most religious

Mr Yitzhak Shamir, the Foreign Minister and leader of the Likud, yesterday stormed out of a Cabinet meeting and told reporters: "This Government is in danger... the situation is grave." Page 12

Conservative revolt

Britain's Conservative Government faces new revolts from its backbench MPs over its plans to develop Stansted in Essex as London's third international airport and its proposals for investment in public hous-

Thatcher in Peking

British Prime Minister Mrs Margaret Thatcher arrived in Peking to

Poison gas returned

France bas returned to the U.S. a cargo of methyl isocyanate, the poisonous gas that killed more than 2,000 people in Bhopal, India, after it escaped from a Unioo Carbide plant Page 4

New UN centre

The United Nations decided to spend \$73.5m on a conference centre in Ethiopia, despite objections by the U.S.

Beirut violence

under fire south of Beirut.

Iraq claims attack

Iraq claimed its sixth attack in four days on merchant ships in the Gulf, and vowed to make the war zone around Iran's Kharg Island oil terminal a graveyard for any vessel entering the area.

Command error

A \$50m U.S. weather satellite was almost lost earlier this month when a ground controller issued wrong commands that sent it tumbling out of control.

Spanish party split

Five members of the Central Committee of the Spanish Communist Party have defected to join the pro-Soviet faction launched earlier this year.

Computer for blind

veloped a computer word processor that can be used by blind people.

UK Jews protest

Britain's Jewish community has threatened to boycott Bribsh Airways, the state airline, because it placed stickers over en advertise ment in its flight magazine that implied that Jerusalem was in Israel, a matter that the Palestine Liberation Organisation disputes.

Hungry for TV

Millions of Hungarians watched the first uncensored television programme on foreign affairs and later jammed the station with telephone calls and questions. Page 2

BUSINESS

Wall St **surges** to close up 34.78

WALL STREET share prices soared on the growing conviction that the Federal Reserve is easing credit policies again. The Dow Jones industrial average closed up 34.78 at 1,211.57. Section III

DOLLAR was also lower in London, falling to DM 3.0870 (DM 3.089), SwFr 2.522 (SwFr 2.549), FFr 9.4575 (FFr 9.4725) and Y246.7 (Y247.5). On Bank of England figures, its ex-change index fell to 142.7 from 143.1. In New York it closed at DM 3.082, FFr 9.4425, SwFr 2.542 and Y246.75. Page 33

STERLING fell to an all-time closing low against the dollar in London at \$1.186, a fall of 50 points on the day. It also declined to DM 3.66 (DM 3.6875), SwFr 3.0125 (SwFr 3.0375), FFr 11.2225 (FFr 11.3075) and Y292.5 (Y294.75). The pound's exchange index fell to 73.8 from 74.1. In New York it closed at \$1.1875. Page 33

LONDON equities reached another record despite the fall in sterling.
Gilts fluctuated nervously. The FT
Ordinary index rose 1.5 to a new
high of 939.9. Section III

TOKYO shares moved higher in the complete agreement on the future of Hong Kong, which is to return to Chinese control in 13 years. Page 3

Chinese control in 13 years. Page 3

Section III

> GOLD fell \$7 on the London bullion market to \$309.25. It was also lower in Zurich at \$309.25. In New York the Comex December settlement was \$308,70. Page 32

> U.S. COMPUTER industry has reacted with alarm to the disclosure that IBM's target for personal computer sales next year is for 30 per cent growth, representing a serious threat to compeniors. Page 13 WEST GERMAN Cabinet has approved DM 20bn (\$6.5bn) of income

A ZURICH judge has approved a Two French soldiers serving with the UN force in Lebanon were wounded when their convoy came wounded when their convoy came creditor's application to open bank-ruptcy proceedings against Nova-Park, the Swiss hotel group. The request was from a Zurich subsidiary of Badische Kommunale Landes-bank, which has claims of SwFr

5.1m (S2m) against Nova-Park. SALÉNINVEST'S chairman Sven Salén met Swedish Prime Minister Olof Palme in a last effort to save the shipping group from financial collapse. Its fate is expected to be decided today. Page 13

ROBERT HOLMES à Court's Bell group sold a 5.5 per cent stake in El-ders IXL for AS6m (\$5m) to clients of Hill Samuel Australia. Page 16

YAMAHA MOTOR, the world's second largest manufacturer of motor-cycles, swung back into pre-tax profits of Ylbn (\$4m) in the half year to October 30 compared with the previous first half loss of Y13.9bn. Page 16

VOLKSWAGEN. West German motor vehicle group, will report a profit this year after losses totalling DM 515m (5171m) in the previous two years. Page 14

A hlind engineer working for Air France, the French airline, has desoftware and data services group. lost \$118.2m in the year to September 30, sharply higher than its \$3.9m deficit in the previous year. Fourth-quarter loss of \$43.3m was a company record.

OLIVETTI, Italy's leading data-processing equipment company, is to seek stock exchange listings in Brussels and Zurich early in Janua-

We apologise for any typographical errors in this edition resulting from action by the National Graphical Association and Sogat members in the FT reading room in London Unit trust prices are also incom-plete today because of trans mis-sion difficulties in London difficulties in London.

Price Waterhouse and Deloitte vote rejects merger

sured pace."

BY ALISON HOGAN IN LONDON

TWO of the world's leading char-tered accountancy firms, Price Waterhouse and Deloitte, Haskins & Sells, yesterday abandoned plans to merge.
A secret ballot of partners around

the world failed to secure the necessary support in "certain important countries, the firms announced.

Price Waterhouse and Deloitte, Haskins & Sells are the fifth and seventh largest accountance firms in the U.S. and fourth and third

respectively in the UK.
The merger proposals, announced at the end of August received a cool reception from the UK firms, whose fee income is increasing steadily and who saw no logic

for the merger at a national level.

Mr Eric Meade, senior partner of
Deloitte UK, said: "The merger is
completely and utterly aborted." News that the merger had been rejected surprised other leading accountancy firms, and many expressed relief that it was not to go

Ross International's chairman, Mr Douglas Baker, said it was striking that the firms' leadership "allowed such extensive time, and attention to a project that ultimately lacked effective partner tions, Mr Michael Coares and Mr Michael Coares a

The prospect of such a large merger caused some other leading which countries and partnerships failed to provide the necessary sup firms to make a serious reappraisal of their own future strategies and

The firms' policy committees had decided that 75 per cent support was oeeded from four big nahonal positions in the marketplace. The accountancy profession has become increasingly competitive and agpractices in the U.S., Canada, Britgressive in marketing its services. ain and Australia. Mr Bill Macky, senior partner of Ernst & Whinney UK, said: "The

U.S. practices were thought to have pushed for the merger, exert-ing strong influence on the other frenetic activity and rumours were bad for the profession. Now we can ctices, which depend on a conconsider a strategy at a more measiderable amount of referral work from large American clients. The proposed merger was crib-Their combined fee incomes

cised by the profession when it was announced. Many firms bad dewould have only just put them into first place in the U.S. They were cided that it would probably sucparticularly keen to strengthen their resources in the consulting ceed, however, as it had reached such an advanced stage of discussion and had the strong support of senior management of both firms. "This demonstrates just bow dif-

The merger proposal seemed less logical in the UK, where both firms hold strong positions both in size of fee income and in representation in important industrial sectors.

ficult it is to manage large-scale partnerships along the lines of a corporation," said Mr Colin Shar-The UK Office of Fair Trading (OFT) was reluctant to give its ap-proval for the merger, fearing that it would lead to others and result in ganised by a firm of lawyers, was disclosed on Friday to the chairmen a concentration of audit in too few

Editorial comment, Page 10; Background, Page 14

Beecham to pay £125m for BAT cosmetics unit

£167m.

break even in 1985.

man of Peat Marwick Mitchell.

The result of the secret ballot, or-

of the firms' worldwide organisa-

BY CHARLES BATCHELOR IN LONDON

BEECHAM, the British-based consumer products and pharmaceuticals group, is to buy BAT Industrial pre-tax profits of £17.1m on its nontries' cosmetics business for £125m (\$150m) in a deal that will double Beecham's turnover from perfumes and fragrances and take it into the tax cuts, the biggest in the country's top six among world cosmetics

groups.
The purchase of Britisb-American Cosmetics (BAC) adds the names of Yardley, Lentheric, Morny, Juvena and Germaine Monteil to Beecham's existing range, which includes the Lancaster, Margaret Astor and Jovan brands.

It gives Beecham an important presence in the UK cosmetics and food retailing business to Dee Corfragrances market for the first time poration for £180m. Beecham will and fills in gaps in its ranges in conpay £21m in cash for the Germaine tinental Europe and in the U.S. BAC has annual sales of more non-U.S. business. It yesterday than £200m, net assets of £72m at placed 29.1m shares at 358p - a dis-

count of 17p on Beecham's opening price of 375p.

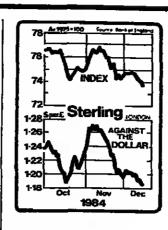
That deal takes Beecham into the U.S. business in 1983 on turnover of top rank of international cosmetics groups alongside Avon, Estée Lauder, Revion and Max Factor of the Germaine Monteil, its U.S. operation, made a pre-tax loss of \$10m U.S., L'Oreal of France and Shiseilast year - its third year of losses on turnover of \$55m. It has been

Cosmetics and fragrances will accutting overheads and expects to BAT is engaged in a significant over, which amounted to £1.4bn in a serious run on the pound. redirection of its energies with the the year to March 1984. Total group announcement over the weekend of turnover, including pharmaceutical, was £1.94bu, which produced prea £664m agreed hid for Hambro Life Assurance and the sale last month of its International Stores tax profit of £268m.

The purchase still leaves Beecham with the resources to finance an acquisition on the pharmaceuti-Continued on Page 12

Lex, Page 12

markets, Page 33



£ weak; U.S. rates fall again

By Philip Stephens in London and Paul Taylor in New York

STERLING fell to a record low against other leading currencies yesterday, depressed by weakening oil prices and the apparent resilience of the dollar in the face of falling U.S. interest rates.

Wall Street investors went on a pre-holiday buying hinge yesterday, sending stock and bond prices soaring while short-term interest rates fell sharply.

The immediate catalyst for the

bull rally was the continued sharp decline in U.S. interest rates, bolstering speculation about a possible further discount-rate cut from its current 8.5 per cent level. The Federal Reserve Board's policymaking Federal Open Market Committee ended its closed-doors two-day session yesterday.

The drop in the pound's value, which came ahead of today's meeting of Opec ministers in Geneva, took the sterling index to an alltime low of 73.6 at the London close, 0.5 points down oo the day and compared to the previous low of 74.0 in

Against the dollar, it fell at one stage to \$1.1795, before recovering partly to close 0.5 coots lower at \$1.1860.

In New York the pound continued to fall, finishing at \$1.1875. Other currencies closed at DM 3.082, FFr 9.4425, SwFr 2.542 and Y246.75. Foreign exchange dealers said

the UK currency was depressed by sentiment that the Opec meeting would be able to do little to reverse the trend of falling oil prices. The extent of sterling's weakness

may bave been exaggerated by the

relative thinness of trading ahead the Christmas I Beecham's consumer products turn- ers said there was no sign as yet of The UK Government is expected to take a fairly relaxed view of the fall unless it accelerates in coming

days, and there was little evidence Continued on Page 12

Sterling limit dropped, Page 2; Raising crude rates, Page 3; Britain's PSBR, Page 7; Money

Reagan limits defence cuts to \$28.1bn

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

PRESIDENT RONALD Reagan has decided to cut projected U.S. de-fence spending by \$28.1bn over the next three years, less than half the amount proposed by his senior budget advisers, the White House announced yesterday.

The decision was widely seen in

Washington as a victory for Mr Cas-par Weinberger, the Defence Secretary, who had fought a lone Cabinet battle to protect the U.S. military build-up from much more stringent

Hailing the result as "extremely setisfactory," Mr Weinberger yesterday said it should allow the "necessary strengtheniog" of the U.S. deterrent to continue.

While Mr Weinberger bas loog argued that U.S. defence spending should reflect the growing military threat from the Soviet Union, Mr Reagan is also concerned that too sbarp a cut now would be viewed in Moscow as a sign of weakness on the eve of the resumption of arms control talks between Mr George Sbultz, the U.S. Secretary of State, and Mr Andrel Gromyko, the Soviet Foreign Minister, in Geneva on January 7.

Mr Larry Speakes, the White House Spokesman, said Mr Reagan remained committed to his plan to halve the budget deficit to about \$100bn by fiscal 1988, which begins of October 1, 1987. Shortfalls as a result of the modest defence cuts projected for fiscal 1987 and 1988 could be "dealt with later," he said. The defence reductions were

nevertheless expected to be regarded as inadequate by both Democrats and Republicans in Congress, who have called for substantial cuts in military spending if they are to approve the severe pruning of domestic and social programmes that Mr Reagan is also proposing.

Both Mr Speakes and Mr Wein-

berger yesterday pointed out that the \$8.7bn cut in defence outlays proposed for the coming budget year, fiscal 1986, was more than the 58bn recommended by Mr David Stockman, the budget director. Mr Weinberger added that the figure would bring speeding down to 51 bo below the amount recommended by Congress two months ago.

than those proposed by Mr Stock-man, Mr Weinberger said that the "out years," \$9.2bo in 1987 and

Mr Stockman had called for cuts of \$20bn in 1987 and \$30bo in 1988. for a total of \$58bn over the three hudget years 1988-88. Mr Weinberg-

Mr Mikhail Gorbachev, the presumed number two in the Sovie Politburo, urged the U.S. to make a move that would bring about effective East-West arms negotiations. Mr Gorbachev also reaffirmed that Moscow considered space weapons as the key issue of the moment. He made his appeal on the arms talks during a meeting with Britain's parlia-mentary foreign affairs committee. During the session, he showed his first flash of irritation since arriving in London on Saturday for a one-week visit when he rebuffed questions on Moscow's human rights record.

er last week offered \$21hn, composed of three annual cuts of S6bn

Mr Weinberger said Mr Reagan's decision should allow for a real growth in defence spending authority of between 5.7 and 6.4 per cent next year. While cuts of \$2.5bn would have to be found in military programmes, the big-ticket items of the defence build-up, such as the B-1 homber and the MN intercontinental missile, would not be affected.

The remainder of the cuts for fiscal 1986 would be achieved by downward revision of inflation and fuel cost estimates, the impact of Mr Reagan's proposed pay reduc-tions on civilian Pentagon employees and a downward adjustment of proposed pay increases for the armed forces, he said.

The White House said that under esterday's decision the defeoce budget would rise from \$258.8bn in the current fiscal year, which ends on September 30, to \$277.5hn in 1986, \$312.3bn in 1987 and \$348.6bn

Mr Weinberger expressed great relief that the "out year" spending bad been spared the savage cuts that Mr Stockman had requested, saying it was not possible to prejudge the desired level of military spending two years in advance.
He hoped that spending in the "out years" would in the end he low-

The cuts projected for 1987 and er than currently planned, but said 1988, bowever, would be far less that that would depend on "world evenis" between now and then. Mr Speakes said the hudget-cut-

reductions envisaged for those two ting process would continue in fis-510.2hn in 1988, simply represented the continuing effects of the cuts proposed for 1986. cal 1987 and 1988, and that the plan Reagan regarded as the "proper" level for defence spending

Star wars study, Page 4

Danish central bank launches Kronebanken rescue operation

pay £21m in cash for the Germaine Monteil and £104m in shares for the

BY HILARY BARNES IN COPENHAGEN

DENMARK's central bank and its three biggest commercial hanks yesterday announced a rescue operation for Kronebanken, the country's seventh biggest commercial had caused the bank's equity capi-tal ratio to fall below the minimum legal requirement.

The rescue is the first for a lead-

ing bank since the 1920s, despite a minimum legal ratio - capital and reserves to liabilities - of 8 per cent, one of the highest in the world. The central bank has promised to meet
the bank's liquidity requirements
and the three big banks' Copenhagen Handelsbank, Danske Bank
merger, or require shareholders to and Privathenken, are providing a provide a capital injection.

DKr 500m (\$45.12m) guarantee Neither the inspectorate against eventual losses. Depositors will not face any losses, and the banking inspecto-rate will allow the bank to continue

operations. Mr Ole Retoft, chair-

man of Kronebanken's supervisory

board, said the bank's losses covered a broad spectrum of en-gagements but provided no details.

Management:

Kronebanken, formed from a tion arises extremely rarely in Densheet total at the end of last year of Tage Andersen, Chief General DKr 11.7bn. Trading in the company's shares was suspended yester—We take it extremely seriously. hank, after bank inspectors found DKr 11.7bn. Trading in the compathat realised and unrealised losses ny's shares was suspended yester-

ers at an extraordinary general will be in this case, too." meeting next month.

The bank's total equity capital is

He said the board would now about DKr 1.2bn, of which DKr

bank itself would disclose how far when their profits were boosted by Mr Bjorn Jensen, head of the in-

"Fortunately, this kind of situa-

nore the situation.

Kleinwort

merger last year of two regional mark especially when major banks banks, Sjaellandske Bank and are concerned, said the chairman Frederiksborg Bank, had a balance of the banker's association, Mr

day.

The inspectorate has insisted on the banking system. I am happy to the dismissal of the bank's board of say that we were able to act so management. Mr Retoft said the su-pervisory board would place itself in these cases things are righted at the disposition of the sharehold-quite quickly and I am sure they

seek a reconstruction of the bank, 300m is in subordinated loan capi-The bank made a net profit of rovide a capital injection.

Neither the inspectorate nor the good year for the Danish banks,

below the minimum requirement the increase in value on the bond the bank's capital had fallen, but and share portfolios. Mr Retoft said that in 1984 the spectorate, said that so much was bank would sustain a loss from the lost or at risk of being lost that the falling value of its bond and share

inspectorate could not simply ig-nore the situation. portfolio but there will be an "excel-nere the situation." operations.

ERNATIONAL **KPER**

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Nordic banking: SurveySection IV

Accord on customs document

document-known universally intra-Community trade. It still as SAD-was born in Brussels yesterday, when it was finally agreed to scrap the 70-odd customs documents currently in existence throughout the European Community, and replace them with one.

After almost four years of deliberation by officials and government ministers, trade ministers less given to hyper-bole as "a very significant achievement for Europe." ministers of the Ten agreed on a piece of paper which will

THE SINGLE administrative and transit requirements of contains 48 separate boxes for information to be given to the customs, but that is a far cry from the 140 items originally demanded by member states.
Its creation was heralded by an official of the European Commission as the conquest of

"the last national fortress in

the customs domain "-and by

the SAD will only come on January 1, 1988, to give sil the likely users, from exporters to officials, time to get used to tion its intricacies.

customs service, but one reason lhose computer systems already in use, for example in Britain, Germany.

government in Dublin two weeks ago. Greece confirms that it will not sand in the way of

detailed negotiations on the isues, while maintaing its over-all reserve on the enlargement

But the first day of use for France and West Germany. It will still be completed in seven copies, although they will labelled for ultimate destina-

As for the 48 boxes, they will The SAD represents a big not all be needed in every step towards the ultimate integration of a computerised EEC control information which is only required by Italy. Greece for its drawn-out birth process and France, for example, and ls the need to reprogramme others to the region of origin. only called for in West

Work to begin on drafting accession treaty

The move is intended to ensure that the deadline for Spanish and Portuguese membership will not slip beyond
January 1, 1986, in spite of the slow pace of the talks.

The enlargement process also bas to clear the hurdle of an industrial tariffs. overall Greek reservation. The EEC foreign ministers linked to the creation of have also finalised their posigenerous spending programmes tions on wine and fisheries in the Mediterranean regions of atong the lines of the deal

terday gave the go-ahead for work to begin on drafting the traety of accession for Spain and Portugal to join the Community, although substantive negotiations on key problem areas has harely begun.

The move is intended to an of the applicant states.

of the applicant states.

However, substantive talks were under way resterday on the questions of incorporating the Spanish steel industry into the problems of Spain's high industrial tariffs.

The questions of wine and fish will only be negotiated in January, officials said vesterday, although they still express some hope that the whole process can be completed by the March summit meeting, with format enlargement on January 1, 1986.

Sr Moran criticised the com-

ism, officials said.

the level of overseas reserves.

hammered out by their heads of Ignorance of the attitude of hte candidate countries." This kind of procedure, he said, "cannot

As for the question of the Integrated Mediterranean Programmes (IMP), the gap between Greece and the Nine remains ver wide, with Mr Malcolmn Rifklnd, the British Minister of State at the Foreign Office describing the current Office, describing the current Commission proposal to spend Ecu 6.6bn (£3,96bn) over six

years as wildly narealistic.
The Commission has been Sr Moran criticised the com-munity negotiating process, accusing the Ten of working out be required to fund pro-their own position "in total grammes in Greece alone.

Sterling limit dropped

BY PHILIP STEPHENS IN LONDON

THE UK Treasury bas decided to which tended to be more active in drop its long-standing request to currency speculation.

The sbolition of exchange conit their holdings of sterling to trols in 1979 and the present Govworking levels.

The decision, announced by Mr Ian Stewart, the Economic Secretary, came on a dsy when sterling was under further pressure on foreign exchange markets, but the juxtaposition was seen as entirely

The then British Government asked overseas monetary institu-tions to curh their sterling reserves under the Basle agreement of 1977.

After the sterling crisis of the previous year, large overseas boldings of the currency were seen as a potential source of instability. That applied particularly to reserves held by oil-producing countries, and the yen for 4 per cent.

Retirement pay-off

THE UNRIVALLED generosity of Development Commissioner, who the EEC to its retiring employees raised eyebrows even in Brussels yesterday when Mr Richard Burke, ernment's free market approach to the Irish Commissioner, was made the exchange rate, bowever, bad a vice president of the European made the agreement an anachron-

The title, though almost entirely Mr Stewart emphasised that it a symbolic bonour, will entitle Mr Burke to an additional £9,000 did not imply a desire to influence (\$10,800) on his severance pay in In any event, overseas official the next three years. To earn this extra sum Mr Burke will be resterling reserves represent only about one sixth of the total amount quired to accept the titular honour held abroad, Latest figures show that sterling between now and his official retirement on December 31.

represented about 2.5 per cent of to-tal identifiable world currency re-Commissioners are now allowed under EEC rules half of their £58,000 a year salaries for three serves. That compares with only 2 per cent in 1976 but over 10 per cent at the beginning of the 1970s. The dollar accounts for about 69 years after leaving office. Vice presidents are paid £64,000. Mr Burke's good fortune follows per cent, the D-Mark for 12 per cent that of M Edgard Pisani, the French try.

inherited a vice presidential mantle from his compatriot M Francois-Xavier Ortoli on the latter's accept ance of a post at Total, the oil com-When M Pisani, after less than a

week in office, himself resigned to take on the role of mediator in the troubled French colony of New Caledonia, Mr Burke's chance at a fortnight as a vice president This short-lived promotion also

means Mr Burke's pension on his retirement at 65 will increase from £21,000 a year to £23,300. Interviewed on BBC radio last night the Irish Commissioner justified his hicrative promotion as an honour directed not at him but to his coun-

Uncensored TV draws big audience in Hungary

By Leslie Colitt in Berlin

HUNGARIAN TELEVISION has broken a taboo in Warsaw Pact countries by allowing viewers to submit uncensored onestions in a programme on foreign affairs. Millions of Hungarians watched the first programme and telephone tines to the studio were jammed with calls.

One viewer asked a Hungarian correspondent stationed in Moscow about Soviet reaction to the return Joset Stalin's daughter, Svetiana, to Moscow. He was told that, officially, there is approval of her return; "in private conversation, it is said: 'Poor thing she is a little mnddled in the head'."

A member of the studio audience asked about the East Germans who had taken refuge in West German embassies in Eastern Europe. The subject of would-be fugi-tives is normally probibited in the East European medta. He was told by a Hungarian

reporter that tens of thousands of people had been able to leave East Germany legally. Some East Germans, however, believed "rightly or wrongly" that they would not be able to leave the country. The Hungarian correspondent in Moscow was also asked how the Soviet Union might react to a U.S. landing in Nicaragua. He replied that up to 25,000 U.S. soldlers could be expected to lose their tives, but that be could not state that such an escapade would completely torpetdo retations between Moscow and Washington.

He noted that while Hanoi was being bombed and Halphong mined, during the Vietnam war, "very serious Sovlet - American disarmament talks took place and were successful."

Another Hungarian journalist, fileding a question about the miners' strike in Britain, said that no indus-trialised country could "avold the need for structural changes."

In this respect, be sald,
"eapitalist and socialist
countries are struggling
with remarkably similar countries with

Opec expected to avoid drastic revision of prices

other members of 1.45m b/d.

BY RICHARD JONES IN GENEVA

THE OPEC committee on price the possibility of a serious differentials is expected to collapse in the spring. differentials is expected to recommend to the full ministerial conference starting today that rates for beavier crudes be raised by about 50 cents a barrel and lowered by 25 cents for very light varietics.

Proposals were to be finalised al a meeting here last night under the chairmanship of Shelkh Ahmed Zaki Yamani, Saudi Arahia's Oil Minister.

While nothing has been said officially, it is clear that Sheikh Yamani and his colleaguer are not contemplating the kind of drastic revision reckoned by the industry and independent experts to be necessary if real progress is to be made towards stabilising the market.

Saudi Arabia continues to rule out any reduction in the \$29 for the Arabian Light reference to close the gap with reference to close the gap with relatively overvalued heavy erudes and to bring it into line with market rates, not the least hecause any such move might lead to further erosion of the market.

Opec's full conference begins with delegates despondent and perplexed about prospects for maintaining the fragmented price structure and preventing

Poland welcomes easing

ing its entry into the International Monetary Fund as a step in the right direction.

Mr Urban relterated that Poland was interested in restablishing normal relations

of U.S. stand on IMF

BY CHRISTOPHER BOBINSKI IN WARSAW

POLAND YESTERDAY greeted

the U.S. decision to stop block-

Mr Jerzy Urban, the govern-ment spokesman, said yesterday

that the deciston was another

sign of a "more realistic approach" by Washington, and called on the U.S. to lift "the remaining restrictions and stop

intervening in Poland's internal

journalist and editor of the business magazine L'Expansion. An outside nominee would probably bring a fresh injection of capital with him.

The paper's current financial and technical problems are the

and technical problems are the

price of past management

errors. During its rapid expan-

sion in the 1960s and 1970s Le

Monde took on many staff and

distributed profits in higher

salaries. It has 180 editorial staff and 1,000 printworkers and

administrative employees who

publishing in the evening and to invest in a large printing operation in Paris has atso

caused problems. As an evening paper, Le Monde does not benefit from the distribution

system in the provinces avail-able to morning dailies.

If today's vote proves in-decisive, M Laurens has said that on certain terms he is will-

tng to stay on. But the return of M Laurens, a compromise

candidate 21 years ago, is not likely to be a durable solution

economic reporting and its ability still to surprise afternoon raaders with scoops missed by other papers—are being lost in the miasma of dis-

The decision to continue

could face redundancy.

effairs."

U.S. must make next move, says Gorbachev

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mest

By David Buchan and Margaret Van Hattem

THE U.S. must make the next THE U.S. must make the next move by limiting its space weapon programmes early next year if there are to be "effective" East-West arms coulrol negotiations, Mr Mikhatl Gorbachev and other members of the visiting Soviet delegation told British MPs westerday. There is despair over member-state Nigeria which has done nothing to rescind the \$1-\$2 per berrel price cuts made in October end is believed to be producing more than 1.6m b/d, compared with the quota conceded to it by told British MPs yesterday.

Given a rare opportunity to question senior Soviet leeders. MPs were left in no doubt lbat the planned U.S. development of space weapoury was the Kremlin's uppermost concern.

Following the decision of the last conference here in October to lower the ceiling on collective Opec output from 17.5m b/d to 16m b/d. Sheikh Yamani b/d to 16m b/d, Sheikh Yamami and other Opec leaders fore-cssted that the gap between official selling prices and spot rates would have closed by the end of the year and that Nigeria would come into line. As it is, Arabian Light is at about \$27.50, the rate to which most experts think it should be reduced to give the right rela-They were also treated to the first flash of initiation shown by Mr Gorbachev on his British visit when he stoutly rebt compleints about the Soviet human rights record and went on to question that of Britain,

In a 20-minute prepared address to the House of Com-mons foreign affairs committee, reduced to give the right rela-tionship with Arabian Heavy, tionship with Arabian Heavy, currently at \$26 on the spot market, and more or less in harmony with its official rate.

Predictably, Opec's market monitoring committee at its meeting here yesterday recommended no changa in the 16m b/d until the market recovers.

Opec experts are understood to believe that production has been rather more than 16.5m b/d since the beginning of November. Mr Gorbachev sald the Soviet Mr Gorbachev Sale the Soviet Union was ready to contem-plate "the most radical reduc-tion" and eventual scrapping of nuclear and chemical weapons.

This could create an atmosphere "which would enable each country to concentrate its attention and resources in attention and resources nn settling its own problems. Show

settling its own problems. Show me a country which bas no such problems, he said.

But "it is now up to the U.S. to make a move... for effective neogtaitions," he stressed.

General N. F. Chervov, a senior member in the Soviel general staff, commenting on the Reagan Administration's more framesching rules to develor a far-reaching plan to develop a full defence against any incom-ing Soviet missiles, warned that Moscow was able to match any favoured nallon " treatment for Polish goods.

Mr Urban relterated that

U.S. programme.
Mr Gorbachev. reputed to be anked second to Chernenko in the Soviet politburo, gave a spirited performance, as he did last year when he appeared before a Canadian parlia-

before a Canadian parliamentary committee.

But he reacted wilb evident irritation when questioned by Mr Norman St John Stevas. a Conservative MP, about state treatment of churches in the Soviet Union,

Mr Gorbachev said he felt the West had been misled by Press annualons about a few Soviet

West had been misled by Press campaigns about e few Soviet Individuals to suppose that there were no Soviet laws governing human rights.

He then went on: "I can quote a few facts about human rights in the UK for example, you persecute entire communities, nationalities. You have 2.3m unemployed."You govern your society and you leave us to govern ours."

MPs took the reference to persecution to be either to Northern Ireland or to the cur-Northern melant to However, rent miners' strike. However, Mr Gorbachev ended the while the two sides could debate the whole issue. Il might be more useful if they moved on

to foreign policy matters. for Italian steel plans

THE PROGRAMME for restructuring the Italian steel industry, which is already threatened by the EEC Cooncil of Ministers' decision to suspend operating subsidies from January 1, has suffered a further blow.

Swedish paper mills operated at 92 per cent of capacity, with output rising by 7 per cent to 6.8m tonnes.

peak (bls year.

Industrial production in October was 8.1 per cent higher than a year earlier, the Central Statistics Office reported yesterday. Output for the whole of 1984 is expected to reach its highest ever level, about 5 per cent above 1974 the previous record year.

both pulp and paper produc-tion could increase marginally next year o around 7m tonnes for paper and 9.4m townes for pulp, but profitability is expected to weaken slightly.

declivity could decline, and the industry is becoming con-cerned that Swedish labour than to competing countries. The recent decline in pulp

Washington is maintaining authorities have chosen and credit guarantees, as well as its withdrawal of "most Solidarity leaders in line,

By Kevin Done, Nordic

THE SWEDISH forest products, industry, one of the world's leading exporters of pulp and paper, has achieved its best performance for 10 years, increasing exports by 18 per cent to SKr 47bn (£4.47bn). Swedish pulp mills have operated at 95 per cent of capacity this year. The sector's pre-tax profits have jumped by 72.5 per cent to an estimated SKr 8.8bn from SKr 5.1bn in 1983.

Scandinavian forest products groups were helped strongly by the seven-week strike by workers in the pulp

Pulp production rose by 6 per cent to 9.2m tonnes, of which 30m tonnes were so-called market pulp which is sold on world markets rather than being used directly for paper and board manufacture.

the forest products sector, Sweden's most important net exporter, has been an impor-tant factor pushing Swedish industrial production to a new

With new capacity coming on stream during 1985, pro-

been compensated by the rise in lite value of the dollar.

Pulp and paper booms in Sweden

establishing normal relations and that the Government "awaited further moves by America" lo this end.

Mr Andrzej Gwiezda, who has

been jailed for taking part in demonstration in Gdansk on

Sunday, is the third recently amnestled Solidarity leader to

have been given a three-month prison sentence since the

and paper mills in British Columbia. Canada, during the spring, as well as by the continuing strength of the U.S. dollar.

Bulgaria replies

Exports of paper increased by 10 per cent to 5.2m tonnes, fully 70 per cent of foreign sales going to the European Community. The strong performance of

David Housego describes the struggle at Paris's top newspaper

magazine-style coverage of con-temporary, human and communi-

NOBODY believes that Le Monde, Paris's premier newspaper, with sales of 360,000 a day, is about to collapse. But day, is about to collapse. But the rest of the Paris Press. Its cavernous and gloomy headquarters in the Rue des Italiens, itself likely to be up for sale there is a feeling that sale, there is a feeling that for sale, there is a feeling that the turning point has been erupted into the open because of the way the paper is run.

who own a 40 per cent stake in the paper, are to choose a Director and Editor-in-Chief to replace M Andre Laurens, who resigned a fortnight ago. His proposals for putting the paper financially back on its feet were turned down overwhelmingly by his colleagues.

on East-West relations, is the only candidate after M Andre Fontaine, a distinguished writer on foreign affairs, dropped out of the running last night. M Tatu still requires, however, 60 per cent of editorlal votes to

The threat of bankruptcy now they wanted to be editor or on has in they wanted to be editor or on page the paper has some interest of staff are pitted should be. They voted for M against eleh other. One journal ist says "Everyone has scores one journalist. The trouble is out before he took office, M.

As a result of these connicts of the brought on by the rejection of members of staff are pitted should be. They voted for M against eleh other. One journal list says: "Everyone has scores ing the paper's losses. Sales to pay off against everyone have dropped by 70,000 to management has proved fatal."

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While former President the succession to M.

deeper than the sad tale of fall. The journalists are split on ing circulation and declining whether to maintain Le Monde

World of difference between Le Monde journalists

Le Monde is unique major Today the editorial staff, Western dailies in having a management structure that gives journalists a substantial say over bte choice of editor as well as a veto over major decisions. Like many institu-tions in France it has worked well during periods of expan-sion, but fattered in recession.

11 became unworkable after

Le Monde

and economic affairs or to branch out like the successful

eations issues. Plans were produced for a French political scene. M Michel Tatu, a specialist M. Jacques Fauvet, only the colour supplement to boost second editor in the paper's advertising revenue, but this challenge it in fields where its history declied some five years was judged out of character by coverage is no longer adequate Since then journalists have been divided on most major issues, unable to agree on whom they wanted to be editor or one saw the light of day.

nnable to define a clear editorial branch out like the successful view of President Francois French dally Liberation into Mitterrand's administration. Magazine-style coverage of con-Younger readers have drifted away, bored by its lengthy

Other papers are beginning to coverage is no longer adequate —La Tribune de L'Economie, a

one journalist. The trouble is that the staff are not agreed on what is credible.

Le Monde's problems run far deeper than the sad tale of failing circulation and declining whether to maintain Le Monde

out before he took office. M. management has proved fatal."

While former President While former President Valery Giscard d'Estaing was in power. Le Monde kept up a powerful critical barrage against become hesitant about extending circulation and declining whether to maintain Le Monde him. But, largely because of its ing new loans until costs are

move to facsimile transmission for the provincial editions. It was the dispute over the sale of the building—seen by some as an unsatisfactory stop-gap measure—that prompted M Laurens to invite a vote of confidence. Behind the overwhelming poll against him lay a rejection of his closest editorial and management associates as

the paper's building, cut salaries, "mothball" one of its

Within the paper there is now a growing consensus that the next editor must have a freer hand to break the deadlock in decision maklog—M Fontaine has asked for a four year mandate to reinforce bis authority. But there is a reluctance to cede power to an internal nominee who inevitably earries with him identification tags picked up in past disputes.

Le Monde is sick from the

inside." says M Quatrepoint, who is now able to speak more onenly. "Reforms from the nutside will be very difficult." Breadth of its foreign coverage, much of its industrial and in an outsider with a fresh eve. untarnished by the scars of past conflicts.
One possible candidate from

outside is M Jean Boissonat, France's

Austrian dam workers on a controversial dam and THE U.S. yesterday proposed a set-

trian unions halted plants to mass 30,000 workers at the site at Hainburg, east of Vienna, this morning offered the Community a 7.8 per to confront thousands of demonstrators preventing tree clearance

The environmentalists are trying to save a 50 square km forest, the had planned to restrict the EEC to a "Auwald," famed for its rare birds, reptiles and orchids.

The Austrian Trade Union Federation (OGB) has warned that trade union patience with the illegal occupation of the site may be running

Protestors had said Mr Sinowatz would be to blame for any violence to terms previously offered by the erupting between rival worker and environment groups. Reuter ington.

on steel pipes row

tlement of a row over its curbs on imports of European Community steel pipes and tubes in a bid to head off trade reprisals, Renter

reports from Brussels. EEC sources said Mr William Brock, U.S. Trade Representative, steel pipes and tubes.

5.9 per ceni market share in 1985, egainst 14.6 per cent this year. Under the offer, made to the European Commission yesterday, the only exemptions would be for or-

pean Commissioner for External Relations, and Viscount Etienne Davignon, the Industry Commissioner, were due to brief Community foreign ministers last night on the offer, which was said to be close Community, but rejected by Wash-

per cent market sbare, but with a longer list of exemptions. The latest U.S. offer was the sub-

restrictions. The Community originally requested exemptions for current construction contracts and oil and gas pipeline supplies, two big areas of

The U.S. is said to have made clear that this was its final offer Viscount Davignon is thought to be keen to reach an agreement before his term of office expires on January 6, and consultations were continuing with Washington and

Any agreement would require formal approval by EEC ministers, who are due to meet today for the last time this year. In Geneva, Mr Peter Murphy, U.S. Trade Ambassador, said the U.S. received a written request

fraud claim By Leslie Colitt in Berlin

saying simply that it is offering "the first original Bulgarian whisky." The reply has appeared in the form of an advertisement in a Bulgarian publication, which shows a

The Wild Goat brand is shown in a bottle bearing the familiar shape of a Johnnie Walker whisky container. Johnnie Walker and White Horse are both produced by the Distillers Company, Scotland's biggest distiller. A claim that the Bulgarians were

of British Industry following sei-zure in Italy of 2,400 cases of the Bulgarian product, allegedly des-

Mr Bo Wergens, director of the pulp and paper industry federation, said yesterday that

costs are still rising faster prices, however, has largely

Fresh setback By James Buxton in Rome

Private sector steel pro-ducers who had agreed in principle to take over part of the Cornigliano steel complex at Genoa—due for closure by the state steel company, Finsinder are threatening to pull out of

the project.

Four private sector steel companies—Lucchini. Riva, Sassone and Leali—were expected to operate part of the plant to make steel billets for processing in private sector plants. The project would save 1.500 of the 5.500 jobs at the complex, all of which will be lost if the plant closed completely. pletely.
The EEC Commission was

favourable to the project, provided it led to the closure of equivalent steel-making capacity in the private sector.

But the four private companies have informed IRI, Findleshave appropriate companies have appropriate companies appropriate companies appropriate companies. panies have informed int. Fin-sider's parent company, that the price of L350hn (£154m) which Finsider is asking for handing over part of the plant and making improvements is too high to allow economic pro-duction of billets. It is not clear whether the companies' decision is irrevoc-able or is an attempt to win able or is an attempt to win better terms. But even if their

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sell the output to the private concerns.

The decision by the EEC ministers to block further operating aid for the steel industry comes only about half-way through the disbursement in of more than L10 000bn for the restructuring of Finsider's operations which involves sigplucant cuts in capacity and

decision turns out to be final. Finsider might still go shead

with the project on its own, and

advertising revenue that besets as a serious journal of political BASE LENDING RATES

Bank of Ireland 91% Bank of Cyprus 92% Bank of India 9 % Bank of Sentland 9 % Banque Belge Ltd 9 % Barclays Bank 91% Beneficial Trust Ltd... 101% Brit. Bank of Mid. East 91%.

Brown Shipley 91%.
CL Bank Nederland 91%.
Canda Permint Trust 91%.
Cayzer Lid. 91%.
Cedar Holdings 11 %.
Charterhouse Japhet. 91%.
Charterhouse Japhet. 91%.
Citibank NA 91%.
Citibank NA 91%.
Citibank Savings 100%.
Clydesdale Bank 91%.
Conum. Bk. N East 91%.
Conum. Bk. N East 91%.
Consolidated Credits 91%.
Cooperative Bank 91%.
Cooperative Bank 91%.
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Dunhar & Co. Ltd. 91%.
Duncan Lawrle 91%. Brit. Bank of Mid. East

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Exeter Trust Ltd. 10 %
First Nat. Fin. Corp. 11 %
First Nat. Secs. Ltd. 11 %
Robert Fleming & Co. 91%
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1 7-day deposits on sums of under £10,000 &s. £10,000 up to £50,000 70.5, £50,000 and over 8°.
call deposits £1,000 and over 64.5,

21-day doposits over £1,000 714%.

internal divisions, it has been cut. Unions avert clashes over

VIENNA - Fresh clashes between environmentalists trying to pre-serve one of Europe's oldest forests were averted yesterday.

After an emergency meeting with Chancellor Mr Fred Sinowatz Aus-

Several hundred protesters are camping in the icy forest swamps. There have been minor scuffles with police, who had 1,000 men ready for disturbances.

tation after its president, Mr Anton Benya, met the Chancellor.

out, hut it called off today's confron-

U.S. offer to EEC

cent share of the U.S. market for These imports have been banned totally for a month, and the U.S.

ders of pipes and tubes which the U.S. steel industry was unable to supply.

Herr Wilhelm Haferkamp, Euro-

ject of urgent discussions yesterday between the Boan Government and West German steel companies likely to be most affected by the extre

West German sales.

from the Community for immediate consultations on the American steel

to whisky

BULGARIA has responded to claims by Britain that it is market-ing counterfeit Scotch whisky by photograph displaying a popular Scotch whisky bottle bearing the label: "White Horse now has a southern sister - Wild Goat.

making counterfeit Johnnie Walker Red Label Whisky was mede earlier this week by the Confederation

tined for African ports. The CBI called for any industries affected by the appearance of the Bulgarian spirits to participate in evolving a joint strategy.

OVERSEAS NEWS

Peking rolls out red carpet for Thatcher's visit

THE CHINESE Communist Party does not believe in Christmas, but is welcoming the British Prime nister Mrs Thatcher in the style of a Santa Claus who has turned up

a week early. Mrs Thatcher flew in from London tonight bearing n gift for a party that would like to have every-

a seat in the Great Hall of the People and sign away Britain's right to continue ruling Hong Kong beyond 1997. After a 13-year transition the Union Jack will be lowered on the last truly valuable corner of the

Under this crisp piece of colonial undertaking – agreed within two years of Mrs Thatcher's last trip to Peking in September 1982 – China has promised to preserve the colony's character and freedom for 50 years as a special administrative re-

The Prime Minister's stewardship of this dramatic deal is winning her a heroine's reception in Peking.

During her 36-hour stop in Peking she will meet the four most powerful men in China, including paramount leader Deng Xiaoping. she will be received with a 19-gun salute in Tienanmen Square and be feted at a special banquet in the

The Chinese press is carrying lavish praise of Mrs Thatcher as a "farsighted and great statesman. Her picture and a biographical profile Hong Kong early the next morning.

defence By Jurek Martin in Tokyo

are carried prominently on the front page of the "People's Daily" and in other leading newspapers. Mrs Thatcher and the Foreign

the Chinese Foreign Minister. She was driven directly to the Di acyutai (Emperor's Angling Terrace) state guest house in the western suburbs of Peking for a private dinner and briefing session with Sir Richard Evans, the ambassador and Britain's chief negotiator in the

Hong Kong talks. Mrs Thatcher will be welcomed officially with n military parade and salute in Tienanmen Square and will spend the morning in talks with the Chinese Premier Zhao Ziy-

After lunch with President Li Xiannian she will have separate meetings with Deng - who has already christened her Britain's de Gaulle for handing over Hong Kong – and with Ru Yaobang, the Communist Party General Secretary.

Mrs Thatcher and Zhao are scheduled to sign the Hong Kong agreement in a ceremony to be wit-nessed by 101 dignitaries invited from Hong Kong by the Chinese Government, and an even bigger contingent of journalists.

The Prime Minister will be Zhao's guest at an evening banquet for more than 400 and later meet

Investment cut by 65% in Ivory Coast budget

BY PETER BLACKBURN IN ABIDIAN

slashed by nearly 65 per cent iterms with the World Bank and in Ivory Coast's 1985 budget France's Caisse Centrale De which is due to be approved by the National Assembly (Parliment) later this week.

Figure 1985 budget terms with the World Bank and Cooperation Economique the main donors.

Finance officials describe the contract terms with the World Bank and the World Ban

No new development projects have been included in the investment budget which has been cut to \$187m (£156m) from \$575m in 1984,

Mr Abdoulave Kone, Economy and Finance (Mnister, presenting the budget to the Assembly to the Assembly that the budget to the Assembly that the Assembly that

sembly yesterday warned that austerity will be even more sever in 1985 because the economic recession has led to a sharp drop in fiscal receipts?

food production, continues to cent of the investment budget. with those of the civil service nHusing and urban development, transport and water supplies are other priority sectors. plies are other priority sectors.

Some 42 per cent of investments will be locally financed compared with 19 per cent in 1984. External borrowing will

PUBLIC INVESTMENT is to be be entirely on concessiona slashed by nearly 65 per cent terms with the World Bank and

Finance officials describe the 1985 Investment budget as realistic because it only includes projects for which finance has already been secured, Previous budgets have not been implemented due to lack of funds, they pointed out. The recurrent budget has been cut for the second successive war by 25 per cent to sive year by 2.5 per cent to \$889m Salaries of civil servants are being frozen for the third harp drop in fiscal receipts? successive year, and in Rural development, especially addition salarles of an estimated, 50,000 public enterprise employees are being aligned resulting in cuts of up to 50 per cent.

Nakasone faces fresh battle over

IN ONE of the stranger twists of contemporary politics, the Japanese Socialist Party, the

Japanese Socialist Party, the leading upposition group, decided yesterday not to uppose up pay increase for the Japanese mittary whose very existence it technically considers unconstitutional. siders unconstitutional.

The socialist move in align the fire foughly with the two higgest centre parties is in fact part of what is promising to be a substantial tactical battle with the Government of Mr Yasuhiro Nakasone over the percental questim of defere spending. Secretary, Sir Geoffrey Howe, were met on their arrival by Wn Xueqian

defence spending. defence spending.

The Government is currently putting the finishing touches ta its 1985 fiscal indget, which takes effect from next April. It is struggting on the one hand with U.S. pressure for greater defence outlays an don the other with abilding by the fen.

other with abiding by the ten year nid declaration that defence spending shalt not exceed I per cent of gross national product. Under Japanese measure oner Japanese measurements, which differ from those of Nato, it presently stands at 0.997 per cent of GNP. Unless the economy grows at far faster than the 4 per cent plus rate tentatively

forecast for fiscal 1985, almost any penerat military pay in-crease alone would break the ceiling. Recently, the National Persmnel Agency, which makes civit servie pay recom-mendations, called for a 6.4 per cent raise for the military; the Government said this should be cut bak to 3.4 per ent; the opposition parties are now backing the higher figure on the condition that

the 1 per cent ceiling not be

breached.

If they sustain their case, then confusion would reign in the defence budget—and the U.S. would be furious. Bnt, given the combative, tac-tical nature of Japanese politics, it seems more likely that their principal purpose is to push Mr Nakasone into a poitically uppopular corner. For all his hawkish reputation and his need to pease the U.S., the Prime Minister has been uncharacteristically reticent of late on the level of defence spending. This may reflect the weakening of his personal authority as a result of the bargaining two months ago which led to him win-

ago which led to him witching a second term in office.
Bur Mr Nakasone has found himself contradicted by elements of his own ruling party, as well as by the new head of the Self Defence Agency, Mr Kioichi Kato, who have said the circle cannot be swuared. As it is, most ex-perts believe that in an other-wise tight defence hndget will receive a real spending increase of about 6 per cent, and that the Government would have to cook the bnoks to avold breaking the celling.

a further term for the Presi-

PRESIDENT Zia-ul-Haq of Pakustan, buoyed by large rallies supporting him in the Punjah, is expecting a large voter turnout in the referentiation has been called for Despite this, President Zia denies that the referendum is a presidential election - " otherdum be has called for tomorrow. If the voters decide wise I would have allowed people to contest it against me." be says. Campaigning against in his favour, it will extend his term for a further five years

referendum bas been banned.
"No-one is allowed to campaign and endorse his Islamisation against the referendum because that will pollule the environ-ment and binder a smooth trans-fer of power to elected repre-sentatives of the people," he The announcement of the referendum on December 1 took most people in Pakistan by surprise. General Zia has atready introduced Istamlc-style changes to the economy, the banking system, the judiciary, and in politics and atready introduced in politics and atriamentary incitivities. says. Pakistan has no opinion potls and there have been no recent

ing the country away from its traditional Western-style par-liamentary democracy. He says such a system is "uisuited" to Pakistani traditions and Islamic The last parliamentary election, held by the then Prime Minister Mr Zutfikar All Bhutto. later executed by the Zia regime in March 1977 was rejected by the people as having been rigged. An estimated 33.8m people Il resulted in a widespread agitation against Mr Bhutto, which led to the military takewill be eligible to cast their votes tomorrow. They will which led to the military takeover by Gen Zia, the Imposition
of martiat taw, and the dismantling of the Senate, the
National Assembly, and four parties or politicians any role answer yes or no lo a lone question—whether they sup-port President Zia's policies of Islamisation. A yes vote will be taken to he an endorsement of legislatures in the provinces of in elections for an Islamic

elections to gauge the public's likely views on the referendum.



Mohammed Aftab reports on Pakistan's vote on extending the President's term

Zia confident of referendum victory

President Zia . . . bnpeful

Punjab. Sind. Batuchistan and the North West Frontier. All political parties and activity were banned more than

Wilb the Opposition effect wheat, tively muzzled, dia supporters
thope that the voter turnout for
the referendum will be "at
least 50 per cent" of registered
the referendum with the "at previous regime's nationalisation policies, voters. Unofficial results are as well as the continued strict expected quickly.

Gen Zia and his supporters are confident of a majority of yes votes although they do not rule out a small percentage voting no. Those who disapprove of the referendum—which is not provided for in the which is not provided for in the Pakistani constitution as a way to elect a President—are likely

to stay away.

Asked what he will do if a majority votes no, President Zia has said: "We are honourable people, and if the vote is no I will move as far as I can by holding (parliamentary) elec-tions, hand over power to elec-ted representative, and get out."

port for Gen Zia's Islamisation policies, and his management of the economy, Growth has averaged 6 per cent a year dur-

although be has said the shoora ful harvests have made the will have reasonable powers.

bureaucratic regulation of the economy, has begun to invest in new industrial units ranging from cement to tyre manufac-turing, glassware and steel

The turbulent situation in the region has also helped General Zia. The Soviet military preaence in neighbouring Afghanistan where an Islamic insur-gency has been going on for five year's as well as the unsenled situation in India following the assassination of Mrs Indira Gandhi have boosted his image as a strong leader.

Despite his record of crushing ted representative, and get out.

Campaign rallies have shown a considerable degree of sup
ted representative, and get out.

his opponents and cracking down on all forms of dissent, it a considerable degree of supseems likely that President Zia will get the vote he wants tomorrow, and that elections in Pakistan will remain a far-off dream for a benighted oppo-

Daiwa to give stock exchange lesson for China

parliamentary institutions, mov-

policy.

PEKING and Shanghai officials have accepted an offer hy Japan'a Dalwa Securities Company to hold seminars on the workings of stock exchanges, a Daiwa spokesman told Reuter tn Tokyo. Officials from both municipatitles are considering the setting-up of stock markets to attract foreign capital and domestic savings for economic midernisation, the spokesman

9 die in Sri Lanka

Nine policemen were killed yesterday when Tamil separat-ists blew up a police vehicle in Sri Lanka's Eastern Province, according to a government statement reported by Reuter from Colombo. The police had been chasing a van carrying a group of robbers, the statement sald. More than 400 have been killed since guerrillas fighting for a separate Tamil state stepped up their campaign a month ago.

In to win little more to wi

No to drug probe

Australia's Labour Government yesterday rejected a re-commendation for a major probe into what an official in quiry said were big beroin smuggling syndicates. Reuter writes from Canberra. The Costigan Royal Commission called in its report last month for a special investigation, but Attorney-General Lionel Bowen said yesterday that the issue had been referred to the National Crime Authority.

All of these bonds having been placed, this an-

Gandhi 'set for sweeping win'

BY JOHN ELLIOTT IN NEW DELHI

A RESOUNDING victory in next week's Indian General Election has been forecast in a major opinion poll for Mr Rajiv Gandhi, who took over as Prime Minister seven weeks ago after the assssination of his mother Mrs Indira Gandhi, A poll conducted for India

Today, the country's leading current affairs magazine, shows him winning 366 of 511 seats being contested in the election for the Lok Sahha, the Indian Parliament lower house.

This would be an improve-

ment on his Congress 1 Party's present parliamentary position and far exceeds the results being forecast by most Mr Gandhi has conducted a rather fial campaign, concen-trating on the country's Sikh

problems and on the risks of the country breaking up. He has inspired little passion so far and most observers expect him to win little more than There is general agreement that he will gain an overall majority benefitting from the

image of bis late mother and

from the country's desire for political continuity. The debate is over the size of his majority. A result of 270 to 300 Con-gress I seats would enable him

Rajly Gandhi-set for victory



to form an administration and govern the country. But if hte appeared to falter or his poli-cies came unstuck, he could find himself vulnerable to

of his rapid advancement,
A result of the type forecast by India Today after polling 11,300 people in 35 constituencies would enable him to dictate bis own pace and style. It would mean that he had

forces within his party jealous

won comfortably in northern India states such as Uttar Pradesh and Haryana and had recovered more than his mother could probably have achieved in southern states such as Andhra Pradesh and Karnataka.

The election commission an-

nounced last night that the election in Bhopal, where over 2,000 people, died in a gas leak on December 3, is being postponed till the end of next month. Polling in the rest of

Some of the 250,000 people who fied the central Indian cit yof Bhopal, fearing a fresh leak of poison gas, started returning to their homes yesterday but over 12,000 complant. day but over 12,000 remained in camps set up by the Govern ment, Reuter reports from Boopal.

Insurance claims, Page 4

Plotters to face firing squad in Vietnam

By Chris Shorwell. South East Asia Correspondent

A VIETNAMESE court yesterday sentenced five out of 2t alleged plotters to death by firing squad for conspiring to overthrow the Government.

The guilty verdicts came at the end of a widely publicised trial in Ho Chi Minh City (for-merly Saigon). Another three defendants were given life im-prisonment, and the remaining t3 got jail sentences of eight to 20 years.

The accused, some of them ex-members of the former South Vlelnamese army, were among more than 100 people arrested by the authorities in what is the largest known anligovernment plot since the Communist takeover in 1975. All 21 were charged with espionage and treason and accused of ploiting to topple the government with the support of China, Thailand and the U.S.

The defendants were members of the so-called United Front of Patriotic Forces for the Liberation of Vietnam.

This announcement annears as a matter of record only



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Standard Chartered Bank Union Bank of Finland (Singapore) Ltd

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Akuengesellschaft
The Taiyo Kobe Bank, Limited

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The Bank of Yokohama, Ltd. The Saitama Bank, Ltd Tha United Bank of Kuwail Limited Associated Japanese Bank (International) Limited Banco Espirito Santo e Comercial de Lisboa, London Branch

Credil Industriel el Commercial de Paris The Toyo Trust and Banking Company, Limited

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Banco de Bilbao S.A. Banco Pinto & Sotto Mayor

Union Bank of Finland Ltd

Banque Commerciale pour l'Europe du Nord (Eurobank)
Banque Internationale de Gestion
Banque Internationale de Gestion
Banque Internationale de Gestion
Banque Vernes et Commarciale de Paria
Caisse d'Épargne de l'État du Grand-Duché de Luxembourg Banque de l'État
Caisse Générale d'Épargne et de Retraite/Algemene Spaar-en Liltrentekas
The Moburitat Bank Ltd
The Honokong and Shangh Banque Internationale de Gestion et de Tresorerie-BIGT Banqua Internationale pour l'Afrique Occidentale Bilbao International Bank (Jersey) Limited

The Hokuriku Bank, LId Dresdner Bank Aktiengesellschaft The Hongkong and Shanghai Banking Corporation London Branch Iran Overseas Investment Corporation Limited iled Jyske Bank State Bank of India Mitsubishi Trust & Banking Corporation (Europe) S.A. Société Centrale de Banque Stale Bank of India Syndicate Bank

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December 1984

December 19, 1984

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Norddeutsche Landesbank Girozentrale Vereins- und Westbank

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Housing starts in U.S. fall 0.7%

By Nancy Dunne in Washington

U.S. BUILDERS started 0.7 per per cent fewer housing units in November than in October, a drop which surprised economists who had based predictions of e rise on the good weather, lower interest rates and increasing

The Commerce Departmentreleasing the figures yesterday, said the number of privately owned bousing units started last month declined to a seasonally adjusted yearly rate of 1.5m, compered with 1.7m in November of lest year. However, housing starts in the first 11 months of the year are still aboad of last year.

ahead of last year.

The depertment also revealed that personal income increased 0.7 per ceni in November and spending jumped 0.9 per cent, after an October setback. Income before taxes was up \$20.7bn (£17.25hn) to a season-ally adjusted rate of \$3.1 tril-

ally adjusted fate of \$5.1 trilion (million millioo).

The big increase in apending
included large emounts of
interest peyments consumers
made to stores as part of their
monthly hills, the department

Mr Michael Sumichrast, of the National Association of Home Builders said th housing starts were "very disappointing . . . given the fact thet interest rates declined 2 percentage pointss" since mid-summer.

Anti-trust chief to quit

The U.S. Justice Department yesterday confirmed reports of the imminent departure of Mr Paul McGrath, who in his year as head of the anti-trust division. sion, presided over the depart-meet's move away from stringent regulation, writes Nancy Dunne in aWshington,

Mr McGrath, head of the Department's civil division from 1981-83, succeeded Mr William Baxter whose abrasive style and easing of anti-trust rules made him a controversial figure on Capitol Hill, Mr McGrath was more conciliatory. He continued Administration policies and cut the number of department lawyers pursuing anti-trust

After the Bhopal tragedy, Terry Dodsworth looks at the way companies cover themselves against risks

Shadowy world of multinational disaster insurance

hersh spoltlight on the shadowy world of insurance for multinational companies. How multinational companies. How do they arrenge coverage for their far-flung operations, and how adequate is it to cope with problems in enormously different operating environments? Union Carbido has itself been very careful not to give anv informetion that might he useful to lawyers acting against it, but there are a fair number of indications a fair number of indications about what sort of package it

The company is known to bave arranged its policies through the biggest international broker, Marsh and McLennan, based in New York. Marsh, whose own shares have suffered as a result of the disaster (because of fears of disaster (Decause of fears of subsequent litigation), has flourisbed in recent years as a broker capable of putting logether comprehensive policies for multinationals like Union Carbide.

The idea of this sort of approach, says Mr Peter Reid, senior vice president at Alexander and Alexander international, another the hig brokerage companies, is to save administrative costs, ect as a conduit on local conditions and regulations and to maximise regulations, and to maximise the financial efficiency of arranging the cover.

The latter point is a par-ticularly important one for an international group with highly variable profits, tax liabilities and cash flow in different parts of the world. It may well be, for example, that a group soma of the heaviest expendi-prefers to pay for its policies ture over Bhopal may well be in

THE POISON gas tragedy at in a particular currency or a Bhopal in India has thrown a region where it is showing hersh spoitlight on the healthy profits; and it may healthy profits; and it may have tax reasons for paying in certain countries or taking potential claims there. Equally, a company may prefer to receive payment of its claims in a different area

from the one where it incurs the loss—although its freedom to do this could be restricted by local laws. Multinational companies have been known to use their insurance policles as use their insurance policies as a financial hedge in countries whore their assets and revenues are locked in by Government restrictions on the movement of funds. If claims ere mobilised for any reason, they can be pald into en off-shore location, thus effectively unfreezing a frozen asset.

Within these overall economic constreints, the hrokers put together packages which respond to two main questions. First, companies bave to decide on exactly what sort of

ritst, companies have to de-cide on exactly what sort of risks they want to Insure. In general, risk managers advise on insuring against the worst risk, so that companies like Union Carbide, dealing with highly toxic substances, inveri-ably carry much higher cover than most other businesses. Air-lines are the classic case of companies that insure for very large catastrophes—up to \$1bn in

Companies can also be very easily caught out b damages on ltems they had oot through about. Tampering with products hy hlackmailers, for example has recently emerged as a new issue; and for Union Carbide,



U.S. attorney Mr Melvin Belli announces a \$15bn damages suit against Union Carbide

somewhat intangible areas—the cost of litigation, loss of earnings from temporary sbut-down of facilities, write-offs from closures, los of image and market share and so on.

Second, companies have to de-cide how to structure the policies. Because the cover for large multinationals is so blg, it generally has to be split be-tween a large number of insur-ance companies, although one hig insurance group might decide to take the whole liabihity and then lay off chunks of it to other companies. It is

believed that about 60 insurance companies are involved at Union Carbide.

The coverage that emergea at the end of this process of spreading the liebilities around will, in effect, be built up in a series of layers. Insurance companies eccept risk in par-cels for which they oul become liable if the claims climb up to the sppropriate amount. One insurer, for example, may choose to carry the first \$10m

between, say, \$90m and \$100m. One of the snags for multinationals is that in some countries their choice of insurance regulations insisting that they place cover with domestic com-panies. This is the case in India, where the insurance industry was brought under state control in 1971, with the pro-perty and casualty companies grouped into four main enter-

only if damages amount to

It is not known how much of Union Carhide's Indian insur-ance was pleced with these local compenies, hul Mr V. H. P. local compenies, hul Mr V. H. P. Pinio, manager of the General Insurance Corporation of India, the atate-controlled bolding compeny for the industry, said in the U.S. two years ago thet property insurance on Indian real estate "should be placed in Indie only." He also added, in an observa-

tion that pointed directly at the sort of risk that impinges on Union Carbide's husiness, that "the (insurance) industry is fully alive to the diverse and complex risks created by new technology. technology. Insurance is available for multi million dollar petro-chemical complexes, jumbo aircraft, and tankers and hulk carriers." In practice, there are a

national projects, and therefore of risk, for which the premiums allow some exclusions to their will be much higher than for a company carrying a similar in other countries it may be

e local company, but then arrange to reinsure most of the risks so that it effectively takes only a miniscule percentage on to its own books.

In eddition, multinationals often have to arrange off-shore cover to fill in gaps for risks that local insurance companies refuse or are prohibited from taking.

in the Far East; another might be the eppropriation of pro-

perty; yet another could be differences in the legal inter-pretation of contracts. These pressure of contracts. These gaps are frequently filled by "global master contracts" with international offsbore insurance companies willing to take overseas risk of this sort. Although many questions have been posed about the adequacy of Union Carhide's insurance to deal with compensation for the victims of Bhopal, the company itself has indicated that its cover and other available assets should allow it to meet its responsibilities without threetening its allow it to meet its responsibilities without threetening its viability. Some analysts have put the amount of its insurance at around \$200m, although insurance experts in the chemicals industry believe it may be et least as high as \$500m.

This figure sounds puny alongside the claims of \$150n, or even higher on some calcunumber of ways around these local regulations. Many developing countries do not bave a sufficiently large insurance market to beer the amount of risk demanded by multi-actions stick in the U.S. (where compensation is likely to be higher), and on whether victims will be awarded rumi-tive damages.

devalopment of the programme, called the Strategic Defence Initiative, which is expected to cost more than \$30hm (£25bm). Each team was awarded a sim contract to evaluate the performance and costs of existperformance and costs of existing and future technologies, such as lasers, to be used in the programme, designed to knock out incoming Soviet missiles.

The teams were saked to submit their results as acon as possible after short facpossible after about five months when certain con-tractors will be selected to do

'Star wars'

named by

Pentagon

THE PENTAGON yesterday named 10 industry teams to make the first overall studies of

concepts for the Reagan Administration's "star wars" space-based missile defence, Reuter reports from Washing

Industry observers said the id are likely to have thoir foot

in the door in later design and

teams

tractors will be selected to do more detailed studies. The teams were: (1) General Research, Santa Barbara, California; (2) Hughes Aircraft, El Segundo, California, with Pacific Sierra, GTE, Avec and Bechtel National; (3) Lockheed, Sunny vale, California, with Honeywell, Raytheon, Netlonal Institute for Public Policy, SRS Technologies, and Contel; (4) Martin Mariotta, Denver, Colorado, with GA Technologies and Logicon later; (5) McDonnell Douglas, Huntington Beach, California, with Aerojet, Esystems and R&D Associates; (6) Rockwell International, Seal Beach, California, with Titan Beach, California, with Titan Systems; (7) SAIC-Science Applications International, La Jolia, California, with Booz Allen & Hamilton and Coleman Research; (8) Sparts, Huntsville, Alabama, with W 3 Schafer Associates and Nichols Research; (9) Teledyne Brown Engineering, Huntsville, Alabama; (10) TRW, Redondo Beach, California,

Banks allow Panama

Panama5s 12-bank advisors group headed by Bank of group headed by Bank of America have agreed to a 90-day roll over of some \$45m (£87.5m) to \$50m dobt falling due in the first quarter of next year, writes Margaret Hughes.

The extension has been granted by the commercial hanks to allow Panama to finalise its programme for a standby ise its programme for a standhy credit for 1985-86 with the International Monetary Fund

Canada agrees first offshore gas sales

BY BERNARD SIMON IN TORONTO

from Canade's offshore reserves have been agreed amid a flurry of ectivity on energy issues in-volving the Federal Government

and oil and gas producers.

Mohil Oil's local subsidiary and the state-owned energy group Petro-Canad have signed agreements with U.S. pipeline operators for gas deliveries, starting in the late 1980s from the Venture offshore field east of Nova Scotia. Thevalue of the

THE FIRST sales of netural gas sell their shares of the ges Earlier this week, the Gov-

ernment said it could help improve the competitiveness of Canadian exports of light crude oil to the U.S. by extending the normal term of export licences from one to six months. Canade sells about 100,000 harrels a day of surplus light cruoe to the U.S.

The ruling Conservalive Party promised during the elec-Cases.

His first major act hrought him an avalanche of criticism when he opposed the proposed merger of LTV and Republic but participants have agreed to the National Energy Pro-

gramme launched in 1981, in a bid to increase Canadian selfsufficiency and locel control of the oil and gas industry.

The programme's provisions, which discriminate egainst foreign energy companies by holding local oil and gas prices helow world levels, drew strong criticism from U.S. oil companies and from the governments of producing provinces in Western Canada.

The previous government was also embroiled in a bitter constitutional disputa with Newscattlend of the constitutional disputation of the constitution of the constituti

foundland over control of notential offshore oil and gas

Miss Pat Farney, Energy Minister, said last week that the Government was close to signing an egreement with New-foundland, dividing manage-ment and control of its offshore development between the federal authorities, the provin-cial government end an indecial government end an inde-pendent regulatory board.
Miss Carney has begun dis-cussions with Alberta and British Columbia on new pric-ing policies and other changes in the energy programme. According to local reports, dis-Miss Carney has begun discussions with Alberta and British Columbia on new pricing policies and other changes in the energy programme. According to local reports, disagreement remains on the extent to which domestic oil prices should be decontrolled.

Week.

The court papers refer to U.S. oil majors have been guitty of fixing prices in the retail the 1960s and early 1970s petrol market and underpaying before the sharp rise in world for the oil found in the state. Oil prices. They have been released as part of a series of lo long-running legal battles between several western states.

California claims major oil groups fixed prices

BY WILLIAM HALL IN NEW YORK

MAJOR U.S. oil companies and major U.S. oil companies, regularly swapped confidential pricing information about their lost between California and big marketing activities on the West coast, the biggest single petroleum market in the U.S., has been going on for nearly a and secretly swapped crude oil decade and is expected to drag arms the mealure eccording on for many years, will serve to

and secretly swapped crude oil decade and is expected to drag among themselves, eccording on for many years, will serve to to court papers released this, further strain relations. California alleges that the U.S. oil majors have been guilty

to roll over debts

WORLD TRADE NEWS

World Bank provides boost for British energy saving company

WORLD BANK funding for Sudan, Bangladesh and China, energy savings projects around hut most recently has signed a energy savings projects around the world has provided two important contracts for the Ntaional Industrial Fnel Efficiency Service, a UK com-pany which hegan life as a gov-

Nifes, as it is known, has receotly completed consultancy work on a §30m (\$25m) World Bank project in Turkey, which is a lerge net importer of energy is a large net importer of energy, despite its considerable reserves of low grede coel, and was therefore seen as a worthy recipient of a soft loan to improve fuel saving.

Under a \$1m contract, Nifes Turkish Covernment on energy saving measures in three sectors of industry—textiles, paper and ceramics. West Germen con-sultants carried out a similar study on power generation, and a Jepanese concern looked et

steelworks. The \$30m will be spent on implementing the recommendetions. Further work may be oblained by Nifes if the Turkish feasibility studies, according to

contract worth \$1.6m to conduct work in Portugal, where the World Bank is making a further \$30m evailable.
The company will carry ont

80 short audits and 100 major audits to study energy use by Portuguese companies involved in food processing, paper and board, wood, textiles and ceramics Mr Hawkins said: "Portugal

has a severe domestic energy shortage and until recently was spending some 75 per cent of its foreign exchange annually on the purchase of fuel from

Targets had been set for reducing this dependence, and Nifes work, backed up hy local companies, would belp pinpoint the best way to achieve them. Mr Hawkins said savings of

between 10 and 30 per cent could be achieved by most companies through "good house-keeping," plant modification and e limited amount of investment. He said that in most developing countries energy was used relatively inefficiently, and that his company saw this as a growing market for its services. In addition, it could create a considerable number of orders for Nifes has previously carried British equipment to out consultancy in Zamhia, the energy conservation. British equipment to be used in and electronics energy manage

As with other overseas work Around 100 consultants tried to win the Portugese contract. Nifes' success was attributed to its low price and long experi-ence in the field.

Nifes was formed about 30 years ago, but under the Heath government in the early 1970s it ceased to be a Governmentt controlled oganniation and was sold to its staff.

After the energy crisis in the mid 1970s, the company's turn-over grew fairly rapidly to its present level of around £3.5bn yeer. Mr Hewkins admitted thet it

has taken time for the company to throw off some of its Government department attitudes and become competitive in a market which other consulting engineers were quick to enter. He said British industry had done e lot to improve its energy efficency but many companies could do a great deal more.

"They don't realise that money saved through cutting foel consumption is the same as improving their profit mar-gins in other ways," he said. The main method of achieving this remained through invest-ment in more efficient energy systems, waste heat recovery

China 'to buy three **Airbus** A-310 jets'

By Michael Donne, Aerospace Correspondent

A MEMORANDUM of understanding for the purchase of three European Airbns A-310 jet airliners, worth around \$150m (£125m), has been signed by the Chinese Civil Aviation Administration (CAAC), according to Herr Hans Vogels, chief executive of Messerschmitt-Bolkow-Blohm of Munich, an Airbus

partner. Herr Vogels said in Munich yesterday, according to Reuter, that he hoped this would result in further busi-ness between Airbus Indus-trie and China.

Herr Johann Schaeffler, managing director of MBR, said a firm order was relatively certain." Two aircraft would be delivered in 1985, and the third in 1986.

Price problems

The deal is understood to have been reached during the recent international aviation exhibition held in Beijing, which was attended by most overseas aerospace manufacturers interested in selling

Airbus Industrie in Paris could make no comment on the matter yesterday.

Renter adds: Attempts by British Aerospace to sell an unspecified number of its new medium size BAe-146 passenger jets to the Civil Avia-tion Authority of China (CAAC) have run into price problems, foreign industry officials said here.

They said BA had hoped to sign an agreement during tho visit to Peking of Mrs Margaret Thatcher, the British Prime Minister. However, a possible deal was delayed when the Chinese side asked BA to slice \$2m off the \$16m price for each of the jets, they added.

The official said BA found it impossible to make such a price cut, which the Chinese said was required to match cuts by U.S. companies seeking to supply CAAC with similar aircraft. Competing aircraft for domestic trunk route services ere Boeing's 737 and the McDonnell Donglas MD-80.

David Marsh reports on diplomatic efforts to boost British products

Embassy enters the export market

"THIS IS the best thing they're doing to help exporters," said specially constructed embassy to do £20,000 worth of French ambass and Sons, the crutch and walking aid manufacturers from for the handicapped see France

product menager, was taking a corresponding aids from light refreshment recently during one of the more unusual According to Mme Jacqueline ing one of the more unusual incursions of the British embassy in Paris into the world of commercial enterprise.

As part of a steadily growing trend by Britain's foreign diplometic outposts to get involved in the nitty-gritty of export pro-motion, the embassy was play-ing host to an exhibition of British-made medical equipment and other aids for the handi-

capped.

The mirrors and gilded furnishings designed for Napoelon's sister Pauline Borghese (before the building was bought by the Duke of Wellington after the Battle of Waterloo) msy have been hid-den by an array of flotation mattresses, wheelchairs and Possum electronic communication equip-

But the prestigious surroundings helped attract 160 visitors representing doctors and spe-cialists, charity officials, dis-tributors, civil servents and tributors, civil servants and even one or two handicapped

Godalming, Surrey, his glass of as an important market because of the range of UK products Mr Merk Hill-Reid, Cooper's and the frequent lack of Roux of the leading French

voluntary group, the National Laison Committee for Readaptation of the Tandicapped, one reason for the advance of

teersted in producing At the luxury end of the sophisticated aids such as range, Vessa, the main manuvoice and remote control equipment," she says. "But manufacturing simple daily functional materials does not interest companies.

One British company taking

which could lead to domestic than most of my colleagues in producers becoming more com- Paris."

National Health Service system reimbursing purchases of aids for the handicapped.

In France, this is the exception rather than the rule, and the specifications for products which can be bought with state support are "rigid," she says.

"French engineers are interested in producing there is the exception of the result of t

interest companies.

One British company taking advantage of the trend is Nottingham Medical Aids, which makes a range of often simple aids such as adapted eating utensits and hygiene through them," said Mr Mark through them, "The embassy have done us

According to Britain's Paris ambassador, Sir John Fret-well: "Ever since the 1960s embassies have been exten-Mr Graeme Wright, director, sively involved in commercial said the company needs to work. A considerable portion establish itself in France in of our assets are now employed edvance of a possible change in in that direction. I'm sure 1 the state reimbursement system visit more trade exhibitions

petitive.

Mr Hill-Reld of Coopers sald
he met good response from
French doctors and physiotherapists for the company's tion technology. Staff make

recent major success in encouraging British firms to step across the Channel Partly as a result of embassy promptings, Sinclair Research of Cambridge, now the main force on France's domestic computer market, is preparing to set up a French production unit early next year as a prelude to an all-out assault on the fast-growing — but keavily protected — market achools.

U.S. groups export units sought

for the estimated 9,000 U.S. Irish campaign to attract some compenies which will have to of the new FSCs to the zone. establish e presence outside the

tion, under pressure from other signatories to the Geneve-based General Agreement on Tariffs and Trade, so that only "Foreign Sales Corporations" (FSCs) incorporated in a foreign country can qualify for the relief. Previous U.S. iegislation provided for establishment domestically besed international sales corporations (Discs) to take advantege of lax relief to ehel overseas sales activities. The Gati members successfully persuaded the U.S. to drop this export technique. The Shaonon Development

IRELAND is joining the bunt near Limerick, is leading the U.S. companies to incorporate of the new FSCs to the 2012.
Sbannon's assistant general substantial U.S. investment in manager, Mr William Maloney, the country undertaken over more general foreign lovest-

Mr Maloney said Shannon was not looking for the major share of FSC investment in Europe "heaven-sent opportunity" for the zone, which has been pro-moting investment from abroad, especially from international service companies, for the past 15 years. It is thought that four U.S. companies have already decided in principle to establish in Sbannon and several others have made inquiries.

Corporation, which runs the Holland and Belgium have trial duty-free airport industrial zone taken the lead as locations for (IDA),

their European subsidiaries, but Ireland can point to the alreedy U.S. in order to continue to eojoy tax relief oo export has just returned from a more general foreign lovesteernings.

The U.S. changed its legislaThe U U.S. accounts for over half the total investment by foreign firms in the Republic.

The Irish also offer their standard incentive package which includes e maximum 10 per cent corporation tax rate. Shannon offers duty-free port status as well, and grants of up to 50 per cent o nthe cost of huildings and plant for distribution firms.

Responsibility for industrial developments outside the Sbannon area rests with the Indus-Development Authority

Hong Kong conciliatory in textiles dispute with U.S.

A TOP Hong Kong trade official country-of-origin rules into offered a conciliatory note yes-terday in the colony's dispute issue of the New Year probably witht he U.S. over textile import would be consideration of what restrictions, AP-DJ reports from will replace the multi-fibre Hong Kong.

with replace the multi-fibre arrangement, which expires in Hong Kong.

At a press conference, Mr Hamish MacLeod, the colony's Director of Trade, said Hong Kong's unhappiness with the U.S. customs department's country-of-origin rules should be kept in perspective. "Certainly we heve serious

problems over the new origin rules," Mr MacLeod said. "But these do not alter the fact that the U.S. is our greatly valued, largest trading partner, Mr Macleod also said that the Reagan Administration was helpful in persuading Congress to cootinue 10 include Hong

He sold Hong Rong would Lloyds, Williams and Glyn's carry its campaign egainst the Banque Paribas (London).

Kong in its teriff preference

• The Export Credits Guaran

tee Department has guaranteed a £22m loan to help finance a contract for the supply of an automatic train control and signalling system for phases one and two of the Mass Rapid Transit Railway in Singapore our trade staff writes. The con-tract has been awarded to Westinghouse Brake and Signal Company of Chippenham, Wiltshire, a Hawker Siddeley compeny, by the Mass Rapid Tran-sit Corporation of Singapore Finance has been arranged by J. Henry Schroder Wagg on behalf of a ayadicate of leading banks comprising: Barclays, Lloyds, Williams and Glyn's and

UK offers Egypt help in design of power stations

BY MAURICE SAMUELSON

BRITAIN HAS offered to help Egypt to design and operate electricity industry since 1981.

coal fired and nuclear power The new agreement extends this stations as part of Egypt'e bid to design and operation of to become less dependent on power stations as well as re-

The assistance is provided for

in a memorandum of under-standing signed in Cairo this week by Sir Walter Marshall, chairman of the Central Elec-Sayyad, chairman of the Egyptian Electricity Anthority. In addition to its ambitious goal of building eight nucloar stations over the next 20 years, Egypt intends to convert some of its old, inefficient oil fired atations to natural gas, as well as build new, coal and gas fired.

generating capacity, The CEGB, acting through SGE-CB afficial said.

British Electricity International, The original contract has to develop training pro- 1.5hn france (£145m).

search facilities.

The Egyptians are cager to enlist international help in developing a large coal mine at Maghara in the Sinai peninchairman of the Central Electricity Generating Board, and 600,000 tonnes a year, for the Savyad chairman of the coment steel and electricity industries.

Reuter adds from Paris: new requests by the Egyptian authorities have pushed up by 40 per cent the value of the Cairo metro project being con-structed by a consortium led by Ste Generale d'Entreprises-Sainrapt et Brice (GGE-SB), an SGE-CB official said.

The original contract was for

ar wan

Mis

STEEPHONE



It's long distance.

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The New York Stock Exchange is answering a call to provide a market for the largest stock offering in history.

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UK NEWS

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ANNOUNCES

Start of Full Range Production of Construction Chemical Speciality Materials for Buildings and Engineering Projects in Gulf Area and Middle East

WATER REDUCING AND SET CONTROLLING ADMIXTURES LIGNIN BASE

HIGH REDUCING AND HIGH RANGE WATER REDUCING-SUPER PLASTICIZER and SET CONTROLLING ADMIXTURES Melamine Formaldehyde and Napihaline Formaldehyde Base

CONCRETE BONDING - EPOXY + PVA CURING COMPOUNDS SHUTTERING RELEASE AGENTS FLOOR HARDENERS NON-SHRINK GROUTING COMPOUNDS FACADES SILICON SEAL AIR ENTRAINING SOLUTION MORTAR WATER PROOFING

JOINT SEALING COMPOUNDS POLYSULPRIDE THIOKOL SILICON

INVITES

All Suppliers of Raw Materials for the Production of above Finished Products to submit their offers including quotations (airpost parcell, samples for local testing, reference list, innerange facilities conditions for 2-way mutually beneficial business relationship.

REQUIRES

The appointment of the folinwing experts in our field of speciality. (Only those highly qualified in Construction Chemicals may apply):
TECHNICAL DIRECTOR
Post Graduate Chemical/Production/Civil Engineer—Concrete Technology with Post Graduate in Management/Economics. Overall in charge of all manufacturing activities involviog planning, processes, quality control and testing lahnralories. Possesses effective leadership qualities to achieve targets within the given quality and cost parameters. To implement technical changes and labour motivation techniques to improve productivity. To participate in sales promotion efforts, train local staff and writing of technical literature and product specification. To implement safety precautions and related administrative matters.

Age group: 35-45 years.

Age group: 35-45 years.
PRODUCTION MANAGER

PRODUCTION MANAGER

Post Graduate in Chemical/Industrial Engineering plus
Graduate in Civil Engineering/Concrete Technology. To
co-ordinate and supervise production processes and staff
activities. To plan and check production techniques and minimise costs. To supervise and assist in quality control laboratory, logistic services and in writing technical literature and product specifications and train local staff. Age group: 35-45 years.

Age group: 39-43 years.

CHIEF OF LABORATORIES
Post Graduate in Industrial Chemistry. To co-ordinate and supervise Research and Development Lab and quality control testing laboratory processes and staff activities to ensure proper and accurate formulations of each product and testing procedures for raw and finished products. To assist in technical literature writing and product specifications, and train lncal staff.

Age group: 35-45 years.

CHEMIST FORMULATORS
Prot Graduate in Chemical Engineering/

Post, Graduate/Graduate in Chemical Engineering/ Industrial Chemistry, To develop formulations of each type of product. To check and analyse test results and exact procedures for accurate formulation. To test quality of raw and finished products. To assist in technical literature writing and product specification

and train local staff.
Age group: 35-45 years.
SALES EXECUTIVE Graduate in Civil Engineering/Economics/Marketing.
Responsible for identifying potential customers and introduction of products. To report data on competition and to achieve set sales targets.

Age group: 30-35 years.

COMPUTER PROGRAMER

Graduate/Post Graduate io Computer Science.
Responsible for programing Independently a computer
system with 8-10 terminals to cope with the requirements of the entire factory. Able to establish own software programs for manufacturing processes, correlation of raw materials' compatability testing and update marketing data. Age group: 30-35 years. Salaries and other incentives commensurate with qualifications and experience. Competent applicants, with minimum five (5) years' experience in our speciality with certified copies of hoth academic and practical credentials together with recent photographs to above



Love and hate shape destuny in a story that unfolds in a war-threatened Pans. One chance meeting leads to romance, another, to tragedy. Anthony Hopkins and Lesley-Anne Down head an outstanding cast that includes Donald Pleasence, Frank Finlay and Richard Pasco, directed by Wans Hussein.

Producer for HTV, Peter Graham-Scott. Executive Producer for HTV, Patrick Dromgoole.

TONIGHT ON HTV

ANOTHER EXCEPTIONAL DRAMA FROM

TI develops robotics system

mated flexible manufacturing system (FMS), as the first stage of a T1 Matrix has already won its tem (FMS), as the first stage of a company strategy to treble the share of turnover taken by FMS.

Flexible manufacturing involves computer-controlled robot trucks feeding a range of products to computer-controlled machine tools in a cent the machining time for the proflexible way which allows dozens of different products to be handled.

Mr Kirk Forrest, sales and marbert-Churchill, the marketing arm of the computer-hased system next of TI's machine tool companies, month. said the £500,000 order from Deep The

TI MATRIX, part of the TI group, is trix, even though it is only a small the system has the canacity to han-about to deliver its first fully auto-order." The field is dominated by die up to 200 products.

second order for an FMS, worth about £1.5m. for an unnamed cus-

The flexible manufacturing system is designed to cut by 80 per peller shaft seals made by Deep Sea Seals. The Havant company also aims to double its £3m turnover in keting director of TI Matrix Her- five years with the commissioning

The system will be used initially ong-term prospects of TI Ma- different metals. The computer in signed by Istel, formerly BL Sys-

The complete system has been put together by TI Matrix as prime contractor, out much of the associated equipment has been supplied by other companies. TI Matrix designed and made the computer-bumerically controlled machining centre in the system.

lathe, also computer controlled, was supplied by Webster and Bennett and the automatically guided robot vehicle with a lifting capacity of 3.5 tons by Babcock-FATA, part of Bab-Sea Seals, of Havant, Hampshire with the Deep Sea Seals' product cock International. The computer for TT's first FMS was "important to range of about 20 seal sizes, in two software in the system was de-

The automatic vehicle, complete with its heavy load, is capable of delivering parts to the loading, unloading and machining bays under complete computer control with an accuracy of better than one millimetre, TI Matrix said.

TI Matrix has an annual turnover of about £10m. The aim is to raise An associated vertical turning the proportion of turnover taken by FMS orders from the 5 per cent attained with the current order to

Much of the rest of the turnover is accounted for by more conventional grinding machines, with 90 per cent exported.

BNFL will invest £150m more to cut nuclear discharge

BY DAVID FISHLOCK, SCIENCE EDITOR

spending an additional £150m on ef- creased rates. BNFL said. fluent treatment plant for its Sellafield reprocessing factory in Cumbria, to reduce its radioactive waste discharges into the Irish Sea to "vir-tually zero." Mr Con Allday, chair-man and chief executive, said yes-

This is the price to be paid for the latest leak at the Sellafield factory, in November 1983, when a substantial discharge of radioactive efflucontaminated Cumbrian

The cost will be met partly by the main customers for Magnox fuel re-processing - the Central Electricity

pany's plans for reducing radioactive discharges to the levels being achieved by Sellafield's French counterpart at Cap la Hague near

Cherbourg. The main beneficiaries of the £150m extra investment by 1991 will be British civil and chemical engineering companies, British

BRITISH NUCLEAR Fuels is Steel and the local authority in in-Three main investments will be required: an additional effluent treatment plant to remove alphaactivity from waste streams and to clean up effluents already stored at Sellafield, extra storage tanks to re-

tain effluent until the new plant is ready, and extra filtration of the effluent from the £130m site ion exchange effluent plant (Sixep) due on stream next year.

 Britain is dumping millions of tonnes of waste each year from which materials worth £750m could be recovered.

Generating Board and the South of Scotland Electricity Board – and partly by BNFL itself, which operates its own Magnox reactors and reprocesses fuel for two overseas customers.

The Government and its Radioactive Waste Management Advisory Committee have accepted the company's plans for reducing radioactive Moster of Commons.

The Government and its Radioactive Waste Management Advisory Committee have accepted the company's plans for reducing radioactive Moster of Commons. the House of Commons.

The report recommends that the new minister should be given overall charge across departments for recycling policy. The committee felt there was an "obvious confusion" between the roles of the Trade and Industry and Environment depart-

Swan Hunter delays delivery of Cunard vessel

THE ATLANTIC Conveyor, succession of Defence is likely to mer of 1982, Lord Matthews, then which received government funds chairman of Cunard, said of Swan to equip it for a naval support role, sunk in the Falklands war, has been further delayed at the Swan Hunter shipyard on the Tyne in North-east England which won the £40m order after strong political and industrial opposition in Britain to the contract going to the Far

The yard, with Cammell Laird on Merseyside and Vosper Thorny next month croft in Southampton, is also hop-ing for one or both of the Type 22 the possibility of the order going to The yard said yesterday military U.S., although frigate orders (£135m each) that the Japan or South Rorea in the sum-work on the Atlantic Conveyor, has been slack.

pected to enter into service with Atlantic Container Line (ACL), the consortium in which Cunard is a Beyond that, however, we're in

will not have the ship ready until livery.

The Atlantic Conveyor is not ex- Hunter that "as long as they can

to this month, but the yard, which penalty payments it might claim shuts for two weeks at Christmas, from Swan Hunter for the late de-

A recent overtime ban at Swan

had also caused delays.

The three ACL ships built at the Kockums yard in Sweden were all

delivered on time, though the fifth shareholder, until mid-January.

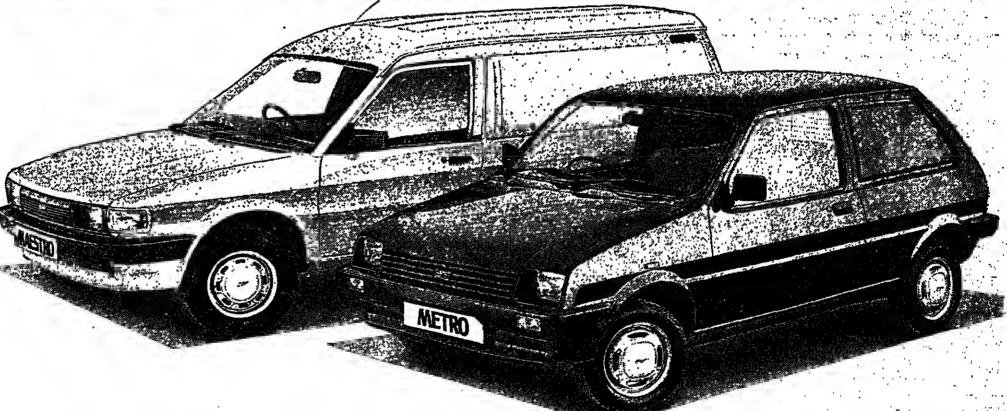
The delivery time had been revised from the third quarter of 1984 to this month, but the year of 1884 to this month but the year of 1884 to this month, but the year of 1884 to this month, but the year of 1884 to this month, but the year of 1884 to the year of 1884

from Swan Hunter for the late de- Swedish shareholders, has had to charter vessels to offset the delay in the Atlantic Conveyor. This year has seen hectic cargo trade to the After the political furore about Hunter held up work on the vessel. has seen hectic cargo trade to the the possibility of the order going to The yard said yesterday military U.S., although eastbound business

AUSTIN ROVER

THE NEW AUSTIN VANS.

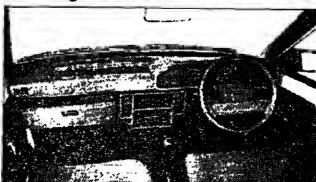
DELIVERING MORE SPACE.MORE WEIG



HOW MUCH MORE SPACE AND WEIGHT?

The exciting new Austin Van range is out to set new standards.

The Austin Metro Van with a payload of 310 kg, and over 38 cu.ft* of usable



AUSTIN MAESTRO L VAN INTERIOR load space. And the new Austin Maestro Van range has over 85 cu.ft* and a choice of 500 and 700 kg, models.

HOW ABOUT THE DRIVERS?

The driver gets plenty of attention too, with the comfort, equipment and handling usually reserved for passenger cars. Handling brought about by the benefits of front wheel drive.

As for economy, the Austin skill at delivering more miles per gallon produces car-like figures; The Metro 1.0 litre produces 59.7 mpg* and the 1.3 litre Maestro 500 can achieve over 45 mpg*

WHAT ABOUT PRICE?

The prices are better too. For example, although the 500 and 700 kg. Maestros carry more than their nearest rivals, they cost a little less.

HOW ABOUT SOME DETAIL

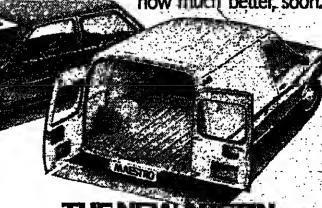
Being truly purpose built the new Austin Vans are better right down to the last detail. Taking Maestro, for example, heavy steel bumpers, securely recessed headlamps and slam-lock rear doors opening through 180° are all designed for heavy use. And so is the large flat payload floor with its recessed anchor points.

Metro shares many of the same features, with a wide, deep tailgate giving clear access to an equally flat payload

floor. Both vans offer a choice of City models, or even more specification and comfort on the 'L' models.

Austin Vans are built to last, using the same paint protection process that qualifies Austin Rover cars for their 6 year corrosion warranty. Further assurance comes with the comprehensive benefits of Supercare, Austin Rover's complete customer care plan.

The new Austin Vans are better vans. Let your Austin Rover dealer show you how much better soon.



DRIVING AT ITS BEST

Manufacturer's figs. Metro 1.0 L simulated urban cycle 457 mpg (6.2 L/100 km), constant 56 mph 59.7 mpg (4.7 L/100 km), constant 75 mph 40.2 mpg (7.0 L/100 km). Maestro 500 HC simulated urban cycle 35.2 mpg (8.0 L/100 km), constant 56 mph 45.7 mpg (6.2 L/100 km), constant 75 mph 32.3 mpg (8.7 L/100 km). "Manufacturer's data. Prices correct at time of going to press excluding number plates and delivery. Models shown Metro 310 1.3 L at £4,196 and Maestro 700 L at £5,347."

State borrowing may overshoot £8.5bn target

BRITAIN's public borrowing was tion of British Airways has been deestimated at £1.8bn last month, layed until the next financial year. bringing the total since the start of the financial year in April to £9.8bn and raising some doubts in the City of London over whether the Government can hit its £8.5bn target for the full year.

The view in Whitehall, however, was that the Government is still on course to achieve the target. Offi-cials pointed out that public finances frequently run into surplus in the last months of the financial

year.
The £3.5bn figure was confirmed by Mr Nigel Lawson, the Chancellor of the Exchequer, in his autumn economic statement last month after being revised upwards from the £7.2bn initially set in the budget. Government revenues will be boosted in coming months by the receipts from the sale of shares in

There is still some concern in the per cent. City, however, that the public sector to the new year and the privatisa- ey supply figures.

Brokers said that it would be unusual for the Treasury to change its

forecast now since the margin of error at this stage in the financial year is about £2bn either side of the official target. The autumn statement, however

assumed that the miners' strike would be over by the end of this month. If, as many observers believe, it continues until the spring, it could add another £1bn or so to the PSBR, the brokers say. This could be particularly offset by

higher-than-expected revenues. particularly from oil, but the Trea sury no longer has the cushion which the sale of shares of British Airways would have provided. Brokers have, also been focusing

receipts from the sale of shares in British Telecom - £1.5bn in gross terms - and by the impact of new rules accelerating VAT payments

The sale of shares in on the pace of public spending, with supply services, the best guide to departmental outlays, rising by an annual 6½ per cent since April against a government target of 5%

City, however, that the public sector Yesterday, however, financial borrowing requirement will over-markets reacted calmly to the Noshoot, particularly since the miners' vember total since it had been widestrike now seems set to continue in- ly discounted after last week's mon-

ACT and Tandy to run computer shops

BY JASON CRISP

(ACT), of the UK has linked up with Tandy stores. Tandy, the U.S. electronics retailer, to form what they claim will be the Europe. The group is expected to more than 3,000 dealers and fran-have sales of £50m in its first year, chised outlets in 100 countries. It is

trading in February with 70 stores, called TA ComputerWorld. It will be 50 per cert owned by each company and will take over ACI's 21 existing 19m comprising 13m equity, 13m franchised ComputerWorld stores loan capital and 13m in bank faciliand 49 Tandy computer stores.

Mr Roger Foster, founder and managing director of ACT, the fast-growing personal computer group, sald yesterday. We view this deal as one of major strategic importance on a par with setting up Apriot Inc."

Sweden, is taking legal action against ACT, which until recently was its biggest customer.

ACT recently raised nearly £13m to set up Apricot Inc to market its was entering the UK market and range of business computers in the was ending ACI's exclusive distrib-U.S. If successful, Apricot is expected to have sales of \$15im by 1987

Since then relations between the nd profits of about \$15m. Apricot is using the former distributors of Apple Computers to sell its products in the U.S. There is no intention that Tandy will supply ACT with any computers after Janproducts in its retail outlets there.

makes. The deal will also mean that next year.

APPLIED Computer Techniques computer departments in general

Tandy is the world's largest electronics retailer with more than largest chain of computer shops in 6,000 company-owned stores and The two companies have formed also a large supplier of business a joint venture which will start computers, which are sold only through its own stores.

The joint-venture company has been set up with an initial capital of ties. It will buy the 70 retail opera-

cently taken over by Datatronics of

Last month, Victor announced it Victor is seeking the UK rights to

The new TA ComputerWorld the Sirius name which it bought chain will stock computers made by both ACT and by Tandy. Unlike independent dealers, the ACT and Tandy stores have not previously said it still expected Victor to confifmed executions. offered customers a choice of tinue supplying the Sirius computer

ACT products will be sold in a further 430 Tandy outlets in Europe, including franchised stores and the tomers,

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BUILDING SOCIETIES SURVEY

It is proposed to publish a survey on the above subject on Saturday 16th February

> For further details and advertising rates please contact JEREMY DEEDES Financial Times, Bracken House 10 Cannon Street, London ECAP 4BY Telephone 01-248 8000 ext. 4008

pressed to restructure coal board

By John Lloyd, Industrial Editor

MR Ian MacGregor, the National Coal Board (NCB) chairman, is under increasing pressure from his managers to reverse the radical structural changes he has instituted The British Association of Colliery Management (BACM) which represents the 15,000 middle and senior managers in the industry, has been pressing discreetly but per-sistently for an end to the MacGregor style within the coal board - so

BACM leaders are to continue their talks, with both board and Government, in an effort to change what they see as a crisis of leade ship in the board. They bave been outspokenly critical of the functioning of the Office of the Chief Executive (OCE) - the apex of the board managerial structure, comprising Mr MacGregor and Mr James Cow-

far without concrete success.

an, the deputy chairman. The main criticisms made by BACM - reflecting in particular complaints from the senior level of board management - are that the OCE has bypassed the consultative machinery, and traditionally con-sensual style, of managerial decison-making.

While it is acknowledged that more frequent meetings of senior managers - as of area directors, for example - have been beld, it is felt that only board level changes can improve the position.

Such changes would, bowever, strike at the beart of the transformation effected by Mr MacGregor in the board. In place of a board largely composed, under his prede-cessors, of full-time officials, usually mining engineers, be has created one on which six part-time members, all businessmen, outnumbering the five full-timers, two of whom are himself and Mr Cowan.

MacGregor | TSB public share sale will favour savers and employees

BY DAVID LASCELLES, BANKING CORRESPONDENT

who opened accounts at the Trustee Savings Banks before last Monday. will be at the head of the queue for shares in the group when it is pub-licly floated at the end of next year tions in that the Government does or early in 1986.

Priorities for share allocations were announced yesterday by Sir John Read, chairman, to coincide with the Government's White Paper on the reorganisation and sale of the group to private investors. The TSB's 25,000 employees will also get preference, and a few special shares will be allotted to charities.

Nobody will be allowed to own more than 5 per cent of the TSB stock for five years after the flotation. The ceiling will then be raised to 15 per cent.

The TSB Bill, also released yesterday, will be put before the pres-

Mr Ian Stewart, the ec secretary to the Treasury, said he was anxious that the TSB "should be in a position to realise their full potential and to play a full part in the development of the banking sector. This will increase competition

and consumer choice in retail bank-

mons today over cuts in local au- 1985-88.

BY ANDREW ARENDS, KEVIN BROWN AND JOAN GRAY

thority capital spending. Mr Jenkin was suppo-Protests were so widespead that two Conservative MPs.

MR Patrick Jenkin, the Environ- spent by local authorities generated

ment Secretary, faces an embar- from sales of council bouses and

rassing revolt by backbench Con- other assets. Some estimates put

servative MPs in the House of Com- this figure at more than £1bn in

Mr Bernard Weatherill, the Speak- Dr John Cunningham, the Labour

er (chairman) granted a Labour re- environment spokesman, said the

quest for a three-hour emergency announcement was a kick in the debate today.

the bands of Conservative critics as ernment promises, be announced a clampdown in the Mr Jeff Rooker, a front bench La-amount of money available to be bour spokesman on the environ-

Mr Jenkin received a mauling at ion industry, and a betrayal of Gov-

DEPOSITORS, including children, ing at an important stage in the public relations firm that handled evolution of financial markets." Although the Treasury is handling the flotation, the sale of the

not own the group. Its ownership status is unclear, and one purpose of the "sale" is to make the TSB accountable to shareholders and enable it to raise capital.

That means the proceeds from the flotation - which City of London analysts estimate anywhere bewithin the TSB and give it a significant capital boost, instead of benefiting the Treasury.

the Companies Act (like other large banks) rather than as a mutually owned (like a building society) was "oxamining other possibilities." With about 13m accounts the TSB one that the TSB itself strongly has the largest personal customer supported, Sir John said. It means, base of any banking group in the however, that the legislation must UK, though its branch network and be tightly drawn to ensure that total deposits are smaller than ownership really has been vested in those of the big clearing banks.

Tories revolt on spending cuts

Mr Jenkin was supported by only

the British Telecom issue, has been appointed to advise on publicity.

Labour's Treasury spokesman, Dr Oonagh McDonald, attacked the White Paper as an attempt by the Government "to privatise something that does not belong to them." She said the assets could better have been transferred to the TSB's savers and employees to allow social ownership of the group.

In 1983 the TSB made a pre-tax profit of £155m. Sir John said 1984 results, which are due to be announced in February, "won't be a bombshell." He declined to be drawn on how the TSB would spend The decision to set the TSB under the proceeds of the flotation except

Aside from banking it has inter-

Lazard Brothers, the merchant ests in credit cards, insurance, hire bank, is advising the TSB on the purchase and car rentals. Its aim, flotation, and Rowe & Pitman will according to Sir John, is to become be the brokers. Dewe Rogerson, the an all-round financial service group.

capital spending next year would be

set at just over £4hn. Receipts were

expected to be about £2.1bn. and

the cash limit on net expenditure

Local authorities had accumulat-

ed reserves of capital receipts esti-

mated at £5bn, and unless correc-

tive action was taken cash limits on

spending could be breached.

was being set at £1.95bn.

Ninth North Sea oil licensing round will raise over £120m

THE GOVERNMENT will receive a windfall of over £120m as a result of cash bids by the international oil in-dustry for 15 "auction blocks" of-fered in the ninth round of UK offshore oil licences.

This is almost four times as much as was raised by a 15 block auction in the previous licensing round of 1983. The result was described yesterday as "astonishing" by Mr Colin Phipps, chairman of the Associa-tion of British Independent Exploration Companie

It appears that about £250m was actually offered for 13 of the 15 blocks by the time that bids closed on Monday. Some of the blocks, however, were bid for by many consortia, and only the highest single bid will be accepted.

The Government opened up a to-

self at the outset of the ointh round in February.

The main characteristic of the round was the opening up of frontier areas in the deep waters west of Shetland and the Scottish mainland. The Government attempted to attract the oil industry into such a speculative venture by saying that volunteers would be treated preferentially in the allocation of more obviously desirable acreage.

The result bas been that offers have been made for all the frontier areas opened up by the Govern-ment, including totally unexplored areas west of the Hebrides.

A number of oil companies yesterday warned that any feeling of euphoria about prospects for large new UK oil finds would be mistal of 195 blocks for licensing, and placed. They argued that only five 147 applications were received from or six of the discretionary blocks on 130 companies, setting a record for offer were of compelling interest, a UK offshore licensing round, and that the Government's linkage About 100 blocks have been applied between prime blocks and specula for, and it seems certain that the tive ones could create a misleading Government will be able to license impression of the oil industry's more than the target of 80 it set it- view of prospects in UK waters.

Seabed contract won

BY DAVID FISHLOCK, SCIENCE EDITOR

ment, said "the contemptible and BRITISH scientific research disgraceful" cuts would cost 100,000 jobs in the construction industry council has won a £12m contract from the U.S. Government for Mr Jenkin said local authority seabed surveys off the U.S. coast.

> The contract involves the use of a unique British technique for remote-sensing of the ocean bed at depths as great as serveral kilo-

In London yesterday, the Natural Environment Research Council signed a six-year agreement with the U.S. Geological Survey to use

its sonar technique to map up to 200 miles off the west coast, from the Canadian to the Mexican border. The U.S. Geological Survey plans

to publish atlases as the survey progresses, as "road-maps" for anyone wanting to explore or exploit the seabed.

The technique, known as Gloria, is a low-frequency sideband sonar system under development for oearly 20 year by the couocil's Institute of Oceanographic Sciences, at

No Laker indemnity, BA told By Michael Donne,

Aerospace Correspondent

THE GOVERNMENT does not intend to indemnify British Airways (BA) against any damages it may incur as a result of the litigation brought in the U.S. anti-trust courts by the liquidator of Laker Airways.

The liquidator, Mr Christopher Morris, is seeking an estimated \$1bn damages from British Airways and others on the grounds that their actions in introducing "preda-tory" fares on the North Atlantic air route drove Laker out of business in early 1982. BA and the other air lines deny the charge.

It is now accepted by the Department of Transport that the issue is not likely to be settled in time to achieve privatisation of the airline by February 14, as originally

No new target date has been set but May next year is now considered more realistic.

The Government remains com mitted to the privatisation of BA. It feels that it is up to the airline t prove its case against the Laker li-quidator's charges, and BA has con-sistently denied liability.

Lawyers for the two sides are dis cussing the position, but there is no sign of a settlement. Meanwhile, the Department of Transport remains deeply concerned about the way in which the U.S. Justice Department persists in regarding the anti-trust laws as superseding the Anglo-U.S. Bermuda Two air agree

Anglo-French helicopter engine tested

By Our Aerospace

THE ROLLS-ROYCE/Turbon joint belicopter engine, the RTM-322, has successfully made its first test-bed run at Rolls-Royce's Hatfield, Herdfordshire, factory.

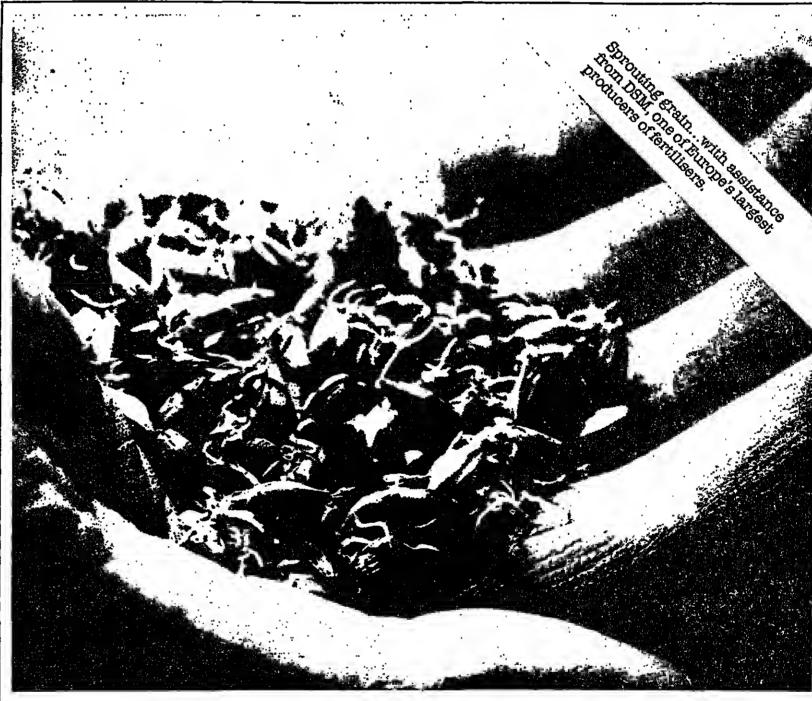
The RTM-322 is intended for beli-

copters such as the Anglo-Italian EH-101 and the RAF's proposed hel-icopter, the AST-404, which could be any one of three candidates - the Westland W-30, the French Aerospatiale Super Puma or the U.S. Sikorsky S-70A Black Hawk. The U.S. Army is studying the RTM-322 to decide whether to buy it to re-engine its large fleet of Sikorsky Black Hawk and Hughes

the engine could win orders worth bundreds of millions of dollars. The Anglo-French developme programme on the RTM-322 is shared between Rolls-Royce and Turbomeca, the French engine company with which Rolls-Royce has been associated for many years on

Apache belicopters. If successful,

other engine programmes. Work on the first 12 prototype engines, and the £100m launch costs, are divided between the two countries, with the costs shared equally between the companies and the two



Specialists to the specialists

When you are pioneering new techniques you need the best advice, the best equipment, the best team and the best detailed research so that you can be confident that when conditions and man are stretched you can be assured that every contingency has been examined and tested by experts, not only in the laboratory, but in the whole scientific involvement.

At DSM, one of Europe's leading chemical companies, we have been overcoming seemingly insurmountable problems in 120 countries for many years. Ours, too, is a demanding world where skill and innovation are at a premium when growth is paramount. Only the very best is good enough when you are specialists to the specialists.



The DSM group with sales of more than £5 billion is made up of six divisions Fertiliser Division, Chemical Products Division, Polymers and Hydrocarbons Division, Resins Division, Energy Division, Plastic Products Division.

Chemicals and plastics: DSM UK Ltd., Kingfisher House, Kingfisher Walk, Redditch, Worcestershire B97 4EZ, tel. 0527-68254, telex 339861 Fertilisers: UKF Fertilisers Ltd., Ince, Chester CH2 4LB, tel. Helsby (09282) 2777, telex 627407 To find out how much more we do, write to DSM, Public Relations and Publicity Department, PO Box 65, 6400 AB Heerlen, The Netherlands.

UK merchant banking

The biggest chases the best

David Lascelles on Kleinwort Benson's aspirations after its launch of British Telecom

HEARTY aelf-congratulation is THEY FEEL they have earned not the style of Kleinwort their Christmas holidays in not the style of Kleinwort Benson, where they tend to wear dark suits and speak in measured understatement. But having just qualified for the Guinness Book of Records as organisers of the stunningly successful £4hn British Telecom flotation—the biggest ever - the UK's blggest merchant banking group also wants to be thought of as the hest, a title that has tended to elude it, at least by the gossipy standards nf the City lunch-table.

"We shall be trying to capitalise on British Telecom," says Michael Hawkes, the chairwhose gentlemaniv. almost self-deprecating manner belies one of the most seasoned merchant hanking minds in London. Now 55, he has been with Kleinworts for 30 years and took over the top job last

Kleinworts has already been London gold market off to eefing up its corporate finance Switzerland.) beefing up its corporate finance staff to engineer the blg. com-plex and frequently multi-national, deals which any self-respecting merchant bank must be able to do these days, though baving made a speciality of government work Kleinworts will do that too despite the relatively small reward, et least in cash terms (see box).

But if Kleinworts lacks the mystique of, say. Warburgs or Morgan Grenfell, it is not far behind. "They used to be third and slipping. Now they're third and steady, maybe even rising," says a competitor.

Even without BT. Kleinworts has been involved in most of the hig City stories recently; the defence of Waddingtons, the recapitalisation of Johnson Matthey, the trans-Atlantic split-up of Boweter, the Al-Feyed purchase of Lonrho's stake in House of Fraser and the reorganisation of Massey

It also has the largest pure hanking husiness of the merchant banks and, through its subsidiary, Sharps, Pixley, plays a leading role in the gold market. (Kleinworts pushed the Bank of England hard to rescue Johnson Matthey Bankers, fearing that the collapse of the buillon bank would damage its the corporate finance department at Kleinworts. For the last 21 years the 60-strong staff have spent most of their time on the BT flotation. "The power behind the issue" is one wisecrack doing the rounds.

What are the lessons from

"It's shown that the London market has the capacity for really big issues. We needn't have an inferiority complex about the Americans any more," says David Clementi. one of the directors involved.
"It's also shown that the commission structure is cheaper in London than the U.S."

Not that BT was always set to be a sure-fire success. Kleinworts had an nphill slog in the early stages to persuad Institutions that they should buy shares for reasons other

than loyalty to the Govern-But then the handwagen

began to roll, partly because of the antumn stockm arket But Kleinworts also beem. ascribes the sell-out to the highly visible merketing campaign It lannched which created the vitel ingredient to stir potential huyers: a fear of scarcity. "We actually went out and sold the shares. That's something quite new for the UK," says Clementi. "We didn't just sit hack and say 'Here they are."

Kleinworts won't say bow much it was paid for the work, but £4m is probably close to the mark. This is a relatively modest sum, and the bank may have little more than covered its costs. But the benefits of publicity and prestige were substantial. "Some people must have thought we were an advertising agency," says Hawkes of the nightly TV commercials that carried Kleinworts name.

Some merchant banks have pooh - poohed Rieinwort's speciality of Government flotations (it has done several others including British Aerospace), saying it is narewarding work which diverts management from parsuing more glamorous and lucrative business. There may be some-thing in thet, but it has not stopped them entering the "beauty contests" for future Sotations. Lazards has won the contract for the Truslee for British Airways, and Rothschild for the Royal Ordnance Factories. Kleinworts, which was not allowed to tender for other business while BT was going on, has now been appointed adviser to another privatisation candidate, British Nuclear Fnels.



Michael Hawkes: "trying to capitalise on BT"

In recent months Kleinworts

has also embarked on one of the most internationally amhitious of the many securities operations now being put to-gether by City institutions. It has committed nearly £70m to a worldwide dealing and broking husiness, which includes forging a whole are rising it ls. Hawkes

the wealthiest and most strongly capitalised of the accepting bouses, though, like all mer-chant banks, it conceals its true financial condition. In mid-1984 it reported total capital resources of over £350m, balance sheet internetionally. footings of £4.6bn. Profits in "Some merci 1983 were £21.7m. (Hawkes says too many client he would like to disclose more but feels that with all the up. I think we can." Unlike other heavals in the City, secrecy is merchant banks where the top heavals in the City, secrecy is a privilege he should cling to.)

In the 23 years since it went public in 1960, Kleinworts grew to be the largest merchant bank without making a single rights issue. One reason was that it was eble to shelter almost all its profits from tax in the 1970s by judicious use of leasing allowances and stock relief on Sharps, Pixley's gold holdings (relief applied not just to

worth ebout £20m have re-ported few problems in the

too much moisture enters the space between the top of the

pudding and the container. To control this factor is at the beart of Christmas-pudding

Last year, shockwaves were sent through the Christmas-

manufacture.

the products are made.

ometimes tricky cycle hy wbich

bank is ruing the large profit increases it reported et the beight of the gold bonanza in 1980-81, because they are hard The bullion business is flat,

and if profits for Kleinworts as

an alliance with Grieveson says, because the rest of the group is "going like billy-oh!"
stockbrokers, and establishing a presence in the U.S. Government securities markets.

Kleinworts is reputed to be the wealthiest and most strongly church Street, much telk of "team spirit" within it and a

> "Some merchant hanks have too many clients," says Hawkes. They just cannot service them. man spends much of his time buttering np their blg corporate customers, Hawkes leaves most of that to his polished vice-

own standing and frighten the Kleinwort's own gold, but the securities venture shapes up. well supported.

gold it was holding on behalf The group wants to become an of its customers). But that is issuer, dealer and broker in all virtually finished now, end the major financial markets the UK, the Euromarket, the U.S. and Japan—both to trade in its own right and as an adjunct to its corporate finance business, which will become more "transaction-oriented" or concerned with putting deals together rather than just advising. It will also back the group's fund management side which will control over £8bn.

Kleinworts started badly by seeming to pay e lot of money
—the agreed total is an eventual

\$44m—for the goodwill of merged. But it is e huge and
Grieveson. But Hawkes calls
it a bargain. The going rate to
cal and cultural strains are
bound to develop. Kleinworts

bound to develop. Kleinworts seeming to pay e lot of mooey sense that Kleinworts has got buy funds under management, what it takes to be a major he says, is 1 per cent of the force, in the UK as well as internetionally.

Some funds under management, what it takes to be a major he says, is 1 per cent of the sum involved. Since Grievesons internetionally.

Kleinworts appears to heve paid for that alone, "and got the stockbroking husiness free," He only wisbes it could buy the whole of Grieveson now (it only has 5 per cent), rather than wait for the Stock Exchange to change its nwnership rules, probably in

chairman, Martin Jacomh, and concentrates on running the group and getting transactions going.

But the key to Kielnwort's capital and reserves, this future, as with most of the large London merchant hanks, depends on how well the hudding securities venture shapes in.

De Zoete and Bevan's banking analysts recently calculated that Grieveson would probably account for about 10 per cent of the after-tax profits of the merged entity, which would leave Kleinworts much less exposed to the vagaries of the securities markets than, say, Warburgs, where the share will be closer to 40 per cent.

Grieveson will be completely integrated: the whole 25,000 square feet of the first floor on Fenchurch Street has been earmarked for 200 dealer positions. will also be absorbing Charlesworth and Company, the small jobbing firm it bought for £800,000

In the U.S., Kleinworts pald \$27.3m for ACLI Government Securities in April, making It securities in April, making it the first foreign hank to own nutright a primary dealer in U.S. Treasury securities, and followed that up in October hy huying a Chicago financial futures broker. UKJapanese government negotiations ray also lead to Kleinworts end a counter of other UK merchant couple of other UK merchant banks being allowed to open

looks like the start of a major international dealing operation in government securities, in government securities, Kleinwort's plans in the UK are relatively modest.

The group will epply to be come a primary dealer in the new gilt-edged market, but will, according to Hewkes, "do as little business as possible."

The operation will he capl-talised at about £15m, which is well below the £20-£30m other banks have talked about, and will aim for a sufficient volume of husiness to sustain Grieve son's share of the broking market, but little more. This is partly because Kleinworts feels the Bank of England's proposed rules are so tough that decent profits wil be hard to come by. But Hewkes also seems to he worried that the huge positions which dealers take on in the course of their husiness will make KB look overstretched. even though most of them would be offset by "metched" deals.

Anyway Kleinworts has pulled off the acquisition trail now and staff are being told In the latest internal newsletter that the group is entering e "period of digestion," which will include a hig effort to boost But while the combination of ACLI. Chicago and Grieveson (which has 10 per cent of the good for the Big Bang. BUSINESS PROBLEMS BY

Stamp duty

I wish to sell my business and retire. I understand that, because of my age, I can obtain exemption from CGT np to £100,000 for the sale of my shares, provided I have held them for at least one

year and one day.

I had 50 shares and my
wife also had 50, but in view of the possible sale, my wife transferred 49 to me last April. I did not, however, realise that I should have advised the stamp duty office and have just kept the share transfer form.
Can I put things right by

Can I put things right by advising the stamp duty office, apologise for my ignorance, tell them that I put it in the company's share register and state my wish to pay now whatever stamp duty I should have paid at the time? My company has made a small loss for the has made a small loss for the past few years but I may be able to get about £50,000 for the sale.

We recommend that you con-sult the company's solicitors and/or auditors, because an offence appears to have been committed, under section 17 of the Stamp Act 1891 (as amended by the Criminal Law Act 1877). You could take the opportunity

elso to consult them upon the likelihood of your do-it-yourself tax-avoidance scheme being frustrated by the application of Furniss-v-Dawson principles.

Roll-over

I have recently disposed of a newsagents, tobacconist, con-(ectionery and grocer's shop, which included freehold property, for the sum of £50,000 and goodwill for the sum of £25,000 and according to my calculations there will be a capital gains tax liability of approximately I am, however, in the course

of purchasing a guest house for the sum of £60,000. I will be supplying a service in that my terms will be bed and breakfast and I hope to remain open throughout the year nulike most guest houses in the area which tend to close for the winter season. It therefore occurs to me that I will be able to claim roll-over relief and I would therefore appreciate your comments. The property I have in mind requires a certain amount of work before it can be satisfactorily let and the saving of the capital gains inx would enable me to carry out the necessary work on the

proposed property.

EDITED BY ALAN CANE

You will find general guidance in two free booklets. will sind which are obtainable from your tax inspector's office: IR28— Starting in business; and CGT11 -Capital gains tax and the

small businessman.

Even if you have managed without an accountant up to now, we recommend that you seek professional guidance through the tax (and legal) mare, at least for the change-over from one business to the other. The solletter who is acting for you in the preparty purchase will be able to give you tax guidance at the same time, no doubt.

Going it alone

I am a technical manager working for a multinational working for a multimational company. Within the space of the next few Fears, I expect that I may be a invited to take early retirement, with, I hope, a near full-term retirement, bension amounting to perhaps \$7.3,000 pa, which I would happily accept.

in anticipation of that, I have a netlou of forming myself into a private company to act as, say, a technical sales agency/consultancy to take commissions from some form of business citent(s). The of business citent(s). The intention would be not so much to create a full-time job in retirement, but rather to spend 2/3 days a week (at most) discharging commissions/contacting relevant clients/customers throughout

Would this enable me to Would this enable me to claim expenses (eg for purchase/lease of a car, phone, secretarial assistance, traveling, etc, etc)? I recognise that these expenses may well exceed the income from such a business—what would happen in these circum-stances? In the extreme case, to if there were little or no income from the business, might these expenses still be claimed? If so, would they be deducted from my other source of income (ie my nsion) in arriving at my taxable income?

Ask your tax inspector for copies of the free booklets IR28 (Starting in business) and IR18 (Corporation Tax).

On the bare facts outlined, we do not recommend the for-mation of a company; but you should find IR28 helpful in crystallising your ideas. No legal responsibility can be

accepted by the Financial Times for the onswers given in these columns. All inquiries will be answered by post or soon or possible.

POWER BROKERS

TO THE WORLD The leading international supplier of generating sets from 3 to 300 kVA.

Energy

systems

A SET of tracking dishes built by McDounell Douglas could be a feature of solar

caergy systems later in thin
1980s.

The corporation has built in Huntington Beach, California, a prototype of its "Dish/Stirling' electric plant that with the aid of a number of such dishes converts the sun's energy into electricity.

Each 18-metre diameter dish has 82 highly reflective mirrors. With community.

mirrors. With computer-controlled motors, the dish

tracks the sun and focuses radiation lute a power con-

reasion unit over the mirrors.

Each dish generates up to 25 kw—a typical system might have up to 2,000 such

cuergy systems later in thin

Solar

TECHNOLOGY

Security

Fencing around

IT HAS been e good year for Christmas puddings. Britain's pudding companies, which make each year some 15m of the Items FAST FENCING for letter-day supporters of the Enclosures Acts comes from Jacksons Express Fence of Stowting Common in Kent.

it can be erected at the rate of 4 metres a minute, according to the company, and this rate of assembly can be ing to the company, and this rate of assembly can be achieved by two men using only an 8 mm spanner, say the manufacturers.

No holes have to be dug as the fencing is mounted on cast the products are made.

As e result, it looks as though UK consumers, who every Yuletide munch their way through about 10,000 tonnes of puddings, will not he affected this year by a phenomenon that can cast a shadow over the

concrete feet each weighing Christmas dining table—pud-50 kg — handhalds have been ding mould. Bacterial growth can form if facilitate transportation.

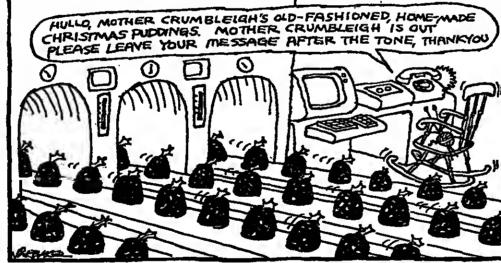
The fencing is fabricated in galvanised 41.5 millimetre steel tube, and the infili is galvanised wire chaln link of mesh size 50 millimetres square.

The infill is beld rigid by vertical stretcher bars and each section of the fencing is 2.03 pudding community after section of the fencing is 2.03 pudding community after metres high and 3.5 metres Frean, the biggest manufacturer, reported mould growth the section of its products. The

According to Jacksons, its in some of its products. The fast fence is suitable for use on company, part of the Nahisco construction sites and industrial areas where temporary, secure storage or vehicle parking facilities are needed, but it has a wide range of other uses in docks, harbours, airports and

It could for example, be used at sporting events to create temporary crowd con-trol areas or hy airport authorities to create a secure area for storage — anywhere in fact where speed of assemhly and security are important. Jacksons is on (023 375) 393. THE ART AND SCIENCE OF YULETIDE BAKING

Mystery of Christmas pud mould



company, part of the Nahisco sort. Its puddings ahould research association recommake puddings all the year in a cool, well-ventilated place. Tound in a factory in Bermondsey, London.

Peek Freen received 100 make puddings all the year in a cool, well-ventilated place.

round in a factory in The Flour Milling and Baking Bermondsey, London.

Peek Frean received 100 complaints from people who bought beautiful plaints from people who beautiful

the faulty puddings—almost manufacturers if they run into certainly, the number of mould difficulties—so far this affected products was much year, ell has been quiet. higher. The company had In Christmas-pudding manuhigher. The company had In Christmas-pudding manu-make the pudding dry-another failed to bake the puddings for facture, workers put the pud-possible cause of complaint. or manufacture.

This was not the first time the company had been hit by mould growth. It suffered a sinking feeling in the late 1970s after adding too little fruit in the mixing stage, which again resulted in excess moisture.

This was not the first time and load them into steam ovens. Steaming normally takes about three hours, although the company had been hit by about three hours, although the company had been hit by mould growth. It suffered a being sinking feeling in the late 1970s after adding too little fruit in the mixing stage, which again resulted in excess Mixing of ingredients is include alcohol.

The substance of complaint, other ingredients usually include bread crumbs, fat, flour and eggs, "Up-market" manufactures, such as William Guntuerrs, such as Wi

rowth This year the company says crucial. Too much water can The it has had no problems of this lead to mould: the Chorleywood

space above the pudding. But too much of these solids can

The seminal scientific paper on this subject, entitled Christmas pudding manufacture and quality control, appeared 25
years ago in the journal Food.
Jamea Robertson of Manchester (which is part of the Avana food group) is the next higgest producer after Peek Frean. In third place is Matthew Walker, which sells half its puddings under its own label and the rest to super-

PROLONGING THE LIFE OF FRESH PRODUCTS

Why meat needs gas protection

sumers are demanding more fresh meat on the supermarket shelves which has led makers to seek ways of prolonging product life.

Over the past few years fresh foods in supermarkets has become a growth sector whereas had static sales. Technologica such as gas packing have como to the aid of fresh food sup-pliers, typically doubly the life

all chilled red meats sold in its or fresh meat. stores.

Gas packing is simply the re-placement of ald in a meat pack with a mixture of carbon monoxide, nitrogen and oxygen. The extract proportions of the gases is a closely guarded secret. To accommodate the gas, meats are usually placed in a clear plastic box rather than vacuum packed. sees itself as a catalyst to the This means that suppliers to adoption of new techniques

CHRISTMAS is a time for masaive meat consumption as well which has been developed to thinly sheed mests in attraction and its food suppliers worked as of Christmas puddings, Confulfil this need. Withing the packages, With a conventional vests its application in Marks time! Proceedings of facturers in the UK to develop a years its application in Marks tional vacuum pack, for and Spencer, for example, has example it would be impossible grown to cover 95 per cent of the separate thin silces of cooked

> The success of this technique hsa prompted the supermarket chein to extend the use of gas packing to fresh fish, some cheese, poultry and cooked mests where the life of the product can be doubled.

> Marks and Spencer, which sees itself as a catalyst to the

facturers in the UK to develop a British source of the equipment. Gas packing was originally de-veloped in West Germany end Deomark

Initially, however, a Swedish company celled Ackerland end Rausing to Helsingborg helped the food chain edapt equipment for the British market. Then Multivac, a West German company with e UK subsidiary and Rose Forgrove made equipment in the UK.

RAILWAY SYSTEMS Automatic trains in **London Docklands**

THINK OF one of today's signalling is entirely e matter computer controlled toy train for the computer which detects sets writ large and you'll have whether a hlock is occupied or some idea of the kind of system not and allows trains to proceed which GEC-General Signal is to only if conditions are safe.
supply to the London Dock. Trains are driven from stalends. It is claimed that the tion to stanon following a presignalling and train control determined speed pattern—the system will be among the most system can choose either an technically advanced in the energy saving pattern or mini-

It will be instelled on the Docklands Light Railway, 12 kilometres of track running through one of London's fastest developing areas. The trains running on the track will be driven automatically although there will be an

ettendant on board. The control system will use a number of safety monitoring techniques to make automatic operation possible. These will

 A system for monitoring the speeds of trains on the track hased on a technology being supplied by GEC-General Signal for the Recife Metropolitan Railway in Brazil. It ensures that speed limits are observed and that trains do not enter an occupied sector or block of

There are no lineside signals 16 unmanned stations. for a fully automated system ac

TEXTILE INDUSTRY **Cutting cloth costs** HOW CAN a menager be shown most easily the way to maximise energy savings? This seemingly simple question is one that has puzzled a lot of the system is based on taking.

people in the textile industry, a hackward look at the pattern where energy costs are a high of energy use in relation to proportion of total outlays, and known infinencing factors. Total has led to a just completed energy use is computed in three-year project at the Shirley common units, a best-fit equation relating total energy use to Shirley, the leading research the influencing factors is worked tostitute for the cotton and out and the means for evaluat-

man-made fibres sector of the ing future energy use industry, (ound too many companies were suffering because Once monitoring h their manegers were unable to understand the weys in which be organised at factory level on cost savings could be made. It therefore developed a

simple system (or energy monl-loring which, at four sites in the finishing aector, has led to savinga of about £350,000. If similar results could be obtained for the whole finishing sector, Shirley believes the industry could save over £9m.

The Shirley targeting and monitoring system means it is panies. ELAINE WILLIAMS possible to monitor energy use

mum journey time pattern.
This system, says GEC is a
development of that used on the
Birmingham Magley people mover. Other computer systems will monitor the position of all vehicles in the system, call for routes to be set, authorise train departures from stations and

allocate speed profiles. It ensures trains run to the timetebles, prevents train hunching, and optimises control of junctions.

GEC claims that unlike a toy train set, its Dockland system cannot go off the rails: "Should the automatic control equipment feil for any reason the train attendant will have access to a manual control panel. The operator at the control centre will be able to communicate with the attendants and the

ing future energy use worked

Once monitoring has been estathlised data collection can

a weekly basis, allowing greater

control over energy use and

from the system, according to

Shirley, an energy audit should

The use of monitoring and

target setting is now being promoted throughout the industry and a handbook has been produced to help com-

To obtain maximum benefit

ALAN CANE

devices. Three electricity companies —Southern California Edison, Georgia Power and Nevada Power—are participating in the development programme and will receive single dishes for testing next year. A key to the system is the

set of conversion units, developed and built by United Sterling of Malmo in Sweden. McDonnell Douglas has an exclusive agreement with the Swedish company to use the

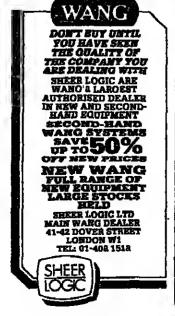
Metals

Religious tapestries A BRITISH company bas

gained an unusual experi-order-celling precious-metal wire to Saudi Arabia for weaving into religious tapestries.

Johnson Matthey Metals of

Wembley is providing the Ministry of Endowment of Ministry of Endowment of Wire worth \$1.3m. The material, made from gold and gilver, will be used in tapeatries to cover a hely shripe in Mecca.



TOPHER O

LI CALL

de name

THE ARTS



Peter Brooks's award-winning production of "Carmen" (Helen Delavault, left) for Channel 4, subsidised by programmes like "Coronation

Television/Christopher Dunkley

Why BBC advertising would be a disaster

There is nothing sacrosanct effecs which concern me. about the licence fee and, First, anybody who bas indeed, nothing sacrosanct about watched television in the U.S. the BBC. Who can forget that knows how awful it is not to It was the BBC which shelved have a single channel uninter-panorama earlier this year to rupted by commercials. After make way for The Thorn Birds? an American trip it is a buge And despite their scaremonger relief to come home and watch And despite their scaremongering about new technologies turning British television into "wall to wall Dallas" who is it that already brings us Dallas, thereby winning their highest ratings? Why, the BBC of

Moreover Britain's commercial television has repeatedly proved its ability to produce high quality programmes. It was ITV with Mnde In Britain which won this year's Prix Italia for drawn and Channel 42 Correct drama and Channel 4'a Carmen-which won the music prize. ITV made the most celebrated series of the year, Jewel in the Crown, and ITV swept the board in New York last month to win all five International Emmy awards.

Why then should we go to the barricades to defend the BBC against Margaret Thatcher and Saatchi and Saatchi with their reasonable sounding suggestion that Instead of raising the licence the BBC should sell just a little bit of advertising on its less serious channels? My answer—as a viewer actually willing to declare a liking for television, and as one obliged a little bit of advertising on its
less serious channels? My
answer—as a viewer actually
answer—as a viewer actually
willing to declare a liking for
television, and as one obliged
to admit that judged as a whole
about the best in the world—
is not ideological but pragmatic.

As a viewer it is the practical

I had been led to expect some-thing much belter. Richmond

has acquired a reputation over traditional drill routine, dressed the past few years. The script as an over-age brownie with

by John Morley and Dick bosoms tht go hump and then Hurran (the latter also directs) pop in the night.

entire programmes without in-terruptions. Many Americans now pay premiums for cable and satellite services precisely because they do not carry ad-vertising.

But surely the suggestion is not that commercials should be carried on all BBC channels, only on a few of them? The idea of going a little bit commercial is rather like the idea of getting a little bit pregnant. Once the principle of a non-commercial public service broadcasting system has been broadcasting system has been breached no later government would be able to resist extending the process.

down what government would be able to avoid pushing the others—first Radio 4 and BBC 1 then BBC 2 and even-tually even Radio 3? In the end we would have a commercial BBC competing with a commerclal ITV.

Jack and the Beanstalk/Richmond

Michael Coveney

This is a perfectly reasonable blue thing; and Kenneth Connor we sang "She'll be coming pantomime in the beautiful as an excellent Dame Trot, round the mountain" (clean theatre on Richmond Green, but the proof of the cruent some left to expect some

a draw, but loudest. Oh yes we Susan amughan is the state one of methods and then.

Still, the good fairy, or Sweetcorn, is personified by Joan Sims, and other welcome veterans are Jimmy Edwards, wandering on to do the old trombone and tuba routine with music ("What's this—Paganini...oh, no, page nine") like a slightly risone benevolent old uncle wbom the kids love who might just signal and the sets, the giant's lair methods one-dimensional set

corpsing professionally in the traditional drill routine, dressed the Saints Come Marching In."

The two songs knitted together

different from print and we know what the result would be from fully-commercial broadcasting systems elsewhere. While it is possible for quality newspapers to exist independently in the market place, television economics work ifferently to the programmes. They were able to do this because ITV had a monoply on television advertising with a consequent obsence of competitive revenue pressure.

If the BBC and ITV were now to be forced into competitive. differently.

The Money Programme, Commercial Breaks, Panorama and Newsnight could never exist on their own or even as a group outside the protection of a major broadcasting organisa-tion with a mixed schedule. These programmes are in effect "subsidised" by Wogan and Tenko, Similarly Granada could not bring us Brideshead, World in Action and Jewel In The Crown if they were not also making Coronation Street. Yet would anybody pretend

Yet would anybody pretend that it was something special about the British combination of BBC and ITV which made all this possible? Indeed they would; in fact that is precisely the point. So far the BBC, because of its monopoly on licence fee money and the consequent absence of competitive revenue pressure, has willingly sustained abnormally large With the first two dominoes sustained abnormally large numbers of quality and minority programmes.

beantifully. The contest was de-clared a draw, but we sang loudest. Oh yes we did.

If the BBC and ITV were now to be forced into competi-tion for the same pool of advertising money it would produce an American style ratings battle in which Blankety Blank would look like a bayen of Intellectual rigour. There is not enough advertising revenue to fund both ITV and BBC and the contest would consequently be violent, and the programme quality spiral would be down-

This is not just my belief, Rodney Harris, media director of the advertising agency D'Arcy MacManus and Masius which was commissioned to devise a plan for BBC advertising, says that if the BBC sold time like ITV, the ITV companies would go bankrupt; "Quite simply there is not "Quite simply there is not enough advertising money to fund all UK broadcasting."

Denis Forman, chairman of Granada Television, wrote last week that the introduction of BBC advertising would be bound to lead to a struggle for revenne, and that struggle would be "for survival."

Even Stuart Young, the accountant who joined the BBC governors convinced that a little advertising would be a good thing, and whose subsequent appointment to the chairmanship of the BBC was seen as Mrs Thatcher's own choice, now believes after a few years studying British broadcasting

The fact is that while the British may not be too good by world standards any longer when it comes to making shoes when it comes to making shoes or ships or sealing wax, we happen—more by luck than judgment—to have hit upon a bipartite system of television production that works better than anyone else's. Sometimes ITV surges abeado, sometimes the BBC: at present ITV bappens to be in the ascendant. A couple of years ago it was the couple of years ago it was the BBC which was ahead in the ratings and the BBC which was winning all the international awards. We seem to be rather good at making televisio npro-grammes and the industry should be cherished.

Hugh Durrant bas designed some picturesque one-dimensional sets, the giant's lair evincing a distinct aroma of Mervyn Peake. The giant himself is like one of Maurke Sendak's Wild Things, his skipping villagers before bursting, for no apparent reason, into an anodyne pop aong. Other nations may be some-Sims, and other welcome very well, as a cloue of wandering on to do the old trombone and tuba routine with music ("What's this—Paganini ...oh, no, page nine") like a slightly risque benevolent old uncle wbom the kids love but leading, with Dame Trot, of the who might just say the wrong community singing. On our side of the cloud of the pleas warmly to efter Goodwright's cheerful Simple Simon, and the beneful stable pleas but the dads also had the pleas but the dads also had the pleas but the dads also had the pleas ing prospect of Suzanne delicacy: walking the high wire, arrying a pole in both bands the pleas of the mums and dads. Dimmy Edwards bad a few was urprised to see phlegmatic Jimmy Edwards bad a few was urprised to see phlegmatic John Bull performing a balancing act of such peculiar delicacy: walking the high wire, arrying a pole in both bands stalk. If you climb to the top with the BBC sitting on one end and ITV on the other. John who might just say the wrong community singing. On our side of the mums and dads. Dimmy Edwards bad a few was urprised to see phlegmatic parts to be dads also had the pleas but the dads also had the pleas but the dads also had the pleas but the dads also had the pleas of the mums and dads. Dimmy Edwards bad a few was urprised to see phlegmatic parts to gath the mums and dads. Dimmy Edwards bad a few was urprised to see phlegmatic parts the mums and dads. Dimmy Edwards bad a few was urprised to see phlegmatic parts to John Bull performing a but the dads also had the pleas but the dads also had the pleas of the mums and dads. Dimmy Edwards bad a few was urprised to see phlegmatic parts to John Bull performing a but the dads also had the pleas but the dads also had the pleas of the mums and dads. Dimmy Edwards bad a few was urprised to see phlegmatic parts to John Bull performing a but the dads also had the pleas of the mums and dads. Dimmy Edwards bad a few was urprised to see phlegmatic parts to John Bull performing a but the dads also had the pleas of the mums and dads. Dimm

elector/tax payer) is carrying them both because there is no-body else to do so. Whether he pays via the licence fee or the shopping basket he is the only customer and so, in the end, be must pay. The belief that advertising re

venue provides a "free" television service is a myth.
Advertising money comes from
exactly the same place as licence
fee money: our pockets. Advertising people like to assert that advertising is self-financing because the more of anything you make and sell the lower the unit cost becomes. But there is a limit to how much detergent and margarine each of us can consume, and anyway most television advertis ing has nothing to do with in-creasing total consumption; It is concerned with brand aware-

ness and brand switching. Most money spent by manu-facturers on advertising is promptly reclaimed from us via promptly reclaimed from us via an on-cost on their products. We the viewers pay for commercial television just as surely as we pay for the BBC—but we don't pay directly or in one lump. So when MORI tells us in the Sunday Times that 66 per cent of viewers would prefer to see commerwould prefer to see commer-cials on the BBC rather than pay an increased licence fee, the question to ask is "Did the question to ask is "Did MORI make it clear that the viewer would be paying either way?"

that the licence fee and the BBC are indeed sacrosanct? Not at all. If Mrs Thatcher and the Saatchi brothers can find a system which will provide the BBC's children's provide the BBC's children's provide the sacrosanct? wide the BBC's children's programmes, the BBC's sport, the BBC's classic serials, and the BBC's Newsnight plus ITV's South Bonk Show, ITV's Brideshead and Jewel in The Crown, and ITV's News At 10 at a tower cost than we presently pay while simultaneously entertaining all those who enjoy Coronation Street, The Price fs Righl and Tenko, then we should jump at the idea, whether it is financed by licence fees, book tokens or cowrie shells.

In the end, though, isn't all

But it should be incumbent But it should be incumbent upon those who want to tamper with John Bull's balance to show that—whether they are taking from one side or giving to the other—they are not going to wreck the whole act and find themselves with nothing to replace It. So far every scrap of evidence suggests that putting commercials on the BBC would indeed destroy the balance and bring disaster to both sides of British television.

La Traviata/Teatro Comunale, Florence

William Weaver

opera bouses are opening their winter season with gala pro-ductions, the Florence season closes (to give the Communale closes (to give the Communale ample time to prepare for the Maggio musicale in the spring). But, this year, the final Florentine offering was as gala as any inauguration: a Traviato to be shared with Covent aGrden) conducted by Carlos Kleiber, produced and designed by Zeffirelli, and starring the young Cecilia Gasdia, singing her first Violetta. All scheduled performances were completely ner nrst violetta. All scheduled performances were completely sold out long before the premiere, for which critics, opera-lovers, celebrities made a special trip to Florence.

The glittering audience was enthusiastic: applause all through the performance (not

through the performence (not always at the opportune moment) and an ovation at the end. A triumph for all, Gasdia hailed as the "new Violetta." It named as the new violetta. It seems churlish to utter any dissent, and yet it is hard to share the first-night enthusiasm. Far from being a thrilling new Violetta, Gasgdia seemed an Intelligent musician with a lovely write cast in a part that does voice cast in a part that does not belong to ber and, further-more, in a production designed, it would seem, to crusb the indivduality of any singer. A

Just as all the other Italian first act would be easily forgiv- There are other miscalculations able, but it is less easy to accept the lack of spontanelty through-out, the anonymity and lifelessness of much of the singing. Even the sure-fire moments— "Amami Alfredo." for one never wrung a tear.

If you liked the Zeffirelli film of La troriota, then you would probably liket his production. It has the same larger-than-life scale. But here the striving for facile effects is even more evident. Nothing can remain still, not even the scenery. Zeffirelli uses o revolving atage, especi-ally in the first act. noisy and ally in the first act. noisy and distracting and totally unnecessary. His determination to present the story in flashback looks particularly ailly when, after miming the moribund Violetta all through the first Preinde, Miss Gasdia jumps out of had fings off her preinder. of bed, flings off ber peignoir, reveals a balt dress, as the stage revolves to present her drawing room, crammed with drawing room, crammed with guests, unsteady eliber because of the champagne or the revolve. This Violetta seems particularly prone to clutching or flinging herself npon the furniture ("Addio del passato" la sung as the heroine gropes ber way into hed, very clumsily). The direction is apparent behind every gesture.

The eagerly awaited even was, heyond question, a fest occasion; and it is always pleasure to see a packed hor applauding and shouting way into hed, very clumsily). The direction is apparent behind every gesture.

even more surprising from a man of Zeffirelli's experiences. One instance: at the end of the first act, when Alfredo's voice is heard off ange, we are unable to see Violetta's reaction, hecause Miss Gasdla has vanished behind a screen, to emerge only in time for her cabaietta.

Even Klelber was something of a disappointment. There were, to be aure, memorable moments (the gossamer accompaniments to several arias, notably "Dei miet bollenti spiriti"), but at other times be seemed to be industries the be seemed to be indutging the soprano, limiting himself to conducting a good, but not strongly characterised reading. As Alfredo, Peter Dvorsky was less aggressive than on some other occasions; and Giorgio a sober, measured, and effective performance. The eagerly awaited evening

was, heyond question, a festive occasion; and it is always a pleasure to see a packed house applauding and shouting with approbation. It is, will be, in-teresting now to hear Cecilia Gasdia's Violetta in less emo-

The Marriage of Figaro/Croydon

Martin Hoyle

The Carmen Jones treatment for Figure? Well, not quite. Despite the updating of Nicholas Broadhurst's production to "France in 1960," evoking memories of Roger Vodim's cinematic modernisation fo Les Liaisons Dangereuses with Moreau, Stroyberg et nl sim, my complaint is that it goes nowhere far enough.

The plot still binges on the Count's feudal right to enjoy any tenant's bride on ber wedding night. The last act's tangle of disguises and mistaken identities looks wildly artificial in modern dress (especially when both the Count and Cherubino have an numerical face to face convernnimpeded face-to-face conver-sation with the Countess whom sation with the Countess whom they have to take for Susanna); and despite some bandy new lyrics ("Non più andral" becomes "All the girls will be safe in their beds now," and Susanna ends the panicky little duet when Cherubino leaps from the window with "He really has a death wish—we're on the second floor") odd lines from Edward J. Dent are glimpsed like old friends.

We lose Marcellina, Bar. last two acts condensed into operatic resources: Terence tic confusions are engineered by sn eavesdropping Basilio (Michael Sadler'a dapper young smoothie in spotted bow-tie is a change from the music-master's usual seedy lubricity). The Act 2 finale ends with the discomfiture of the gardener Antonio, and we miss the sextet of family revelation that Mozart bimself loved above the other numbers in the score.

Reference to numbers and liyrics suggests a musical. Sure enough, the Figaro is fresh from Little Shop of Horrors, the Cherubino last charmed me in Manchester's Carousel. Tony
Britten, who worked on the
National Theatre's Guys and
Dolls, has reduced the score
for violin, viola, cello and "keyboards" (not the half-expected



Amanda Redman and Prue Clarke

barina and Bartolo: the climac one, they should reflect on the Hillyer's Figaro, funny, imprestic confusions are engineered introduction to opera it provide sioned snarling has a light introduction to opera it provide sioned, snarling, has a light for the uninitiated or even hos- crooning haritone. Stephen

> ing in an occasionally husky " show " voice, Amanda Redman made amends with an intensely felt "Dove sono."

Polnting and timing ber line. spoken lines with wil, this heautiful, slightly full-blown. Rosina performs the ploy while the others as yet hover uncertainly in the limbo of translated librello.

Janet Dibley's pre-Rahpaelite jaw made ber an authenticlooking Victoriao Cinderella at the National this time last year. Here, with a Tony Curlis quiff,

Tate's metallic timbre belongs The opening of the last act more to Cats and Blondel/ bis finale and the Countess's arias recent successes), but like the were transposed. Though singwhole committed cast he sang every note of what there wastiously arriviste Euro-executive rather than the scion of a noble line. Perhaps French counts

Limited resources were turned to advantage in the last act. The heaven-sent moment when the philanderer realises his defeat and his wife yet again forgives bim was preceded by a few seconds silence: with only six on stage, that ensuing hym six on stage, that ensuing hymn-like reconciliation summed up love, pain and the whole damn thing, was intense, boards" (not the half-expected synthesiser!)

If purists react with borror at this selection of numbers linked by speech, the opera's lime onehad adjusted to non
Technical in reconciliation for pretty page looks marvel-summed up love, pain and the whole damn thing, was intense, moving, inlimate. A production that gets this spot-on has its heart firmly in the right place.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Thestre/Wednesday. Exhibitions/Thursday. A selective guide to all the

Arts appears each Friday.

December 14-20

Theatre

11:11

Stells

A MARINE

TOKYO

Kabuki (National Theatre): Daikyuji Mukashigoyomi by Japan's most important classic playwright, Monimportant classic playwright, Mon-zemon Chikamatsu, centres on the love-suicide of o merchant's wife and shop clerk. The play includes scenes in Bunraku puppet style, showing the close relationship be-tween these two 17th century types of theatre. Yoshiwara Suzume is a dance leaturing husband and wife peddlers in the Yoshiwara pleasure quarters of old Tokyo. English pro-gramme and earphone guide. (285 7411). (285 7411).

granme and (2857411).

Salmpa (Kabuki-Za): This genre of Japanese theatre covers 19th and early 20th century period plays written after Japan's opening up to the West and the influence of contemporary Western melodrama. Shimpa actresses were the first women to appear on the stage in 250 years and tha plays dealt with the important events of the day. They were also used as a vebicle for political protest against various policies of the Meiji government (1888-1912). As historical pieces which document Japan's early westernisation, Shimpa plays are facinating. The evening performance stars the leader of the most important Shimps troupe actress important Shimps troupe actress important Shimps troupe actress Yoshire Mitautani and Kabuki actor Tammasaburo Bando, Kabuki's best

Takarazaka All Girls Revate (Takarazaka Theatre, near Imperial and Palace hotels: Two original musicals, Meltantel Wa Hitori Chi (a detective actor of female roles. (541 3131). Takarazuka All Giris Revue (Takara-

comedy) and Lala Flora. This troupe, a Japanese speciality with the girls playing the male roles, is the counterpart of Kabuki, Spectacular and technically good, simple plots and English synopsis. (5911711).

Sunday in the Park with George Sunday in the Park with George (Booth): Not your conventional nusical. Stephen Sondheim's latest is an inspired pairing with director and playwright James Lapine to bring Georges Seurat's painting to life, with Mandy Patinkin as the painter and Bernadette Peters as his imagined girlfriend, Dot. (230 8232).

(239 6262). Cats (Winter Garden): Still 2 sellout

only in the sense of a rather stain and overblown idea of theatricality. (239 6262).

42nd Street (Majestic): An immodest celebration of the heyday of Broadway in the Original film like Shuffle Cot To Buffle with the converse. off To Buffalo with the appropri-ately brash and leggy boofing by a large chorus line. (917 9020). Torch Song Trilogy (Halen Hayes): Harvey Fierstein'a ebullient and touching story of a drag queen from backstage to loneliness incorporates all the wild histrionics in between,

Trevor Nunn'a production of T. S. Eliot's children's poetry set to trendy music is visually startling and choreographically teline, but classic only in the sense of a rather stald

despite the forced effort to recreate the career of a 1960s female pop group, a la Supremes, without the quality of their music. (239 6200). On Your Toes (Virginia): Galina Pano-

On Your Toes (Virginia): Galina Panova with presumably a genuine Russian accent leads an exuberant cast in the remake of Bodgers and Hart's 1938 sendup of Russian ballet tours, complete with Slaughter on Tenth Avenue choreographed by George Balanchine and directed, like the original, by George Abbott. (977 9370).

Brighton Beach Memoirs (Neil Simon): If he wasn't sure before, playwright Neil Simon can expect a long run of his funny as well as

playwright Neil Simoo can expect a long run of his funny as well as touching childhood reminiscences now that the Nederlander organisa-tion has generously decided to came the theatre after the generation's outstanding box office draw. (757 8846)

(757 8640).
The Real Thing (Plymouth): After 14 months in London, Tom Stoppard's latest giggle at the English intellito the beart that beats beneath the veneer, directed at a fast clip by Mike Nichols. (239 5200).

Glengarry Glen Ross (Golden): The Chicago cast from the Goodman Theatre provided David Mamet with a Pulitzer Prize for his latest work that pils fast-talking real estate salesmen against the world and each other. (239 8200). each other. (239 6200). Wanamaker. (628 8795).

A Chorus Line (Shubert): The loogest-Phedra (Old Vic): Glenda Jacksoo rerunning musical ever in America has not only supported Joseph Papp's Public Theater for eight

years but also updated the musical

genre with its backstage story in which the songs are used as audi-

(239 6200). Noises Off (Brooks Atkinson): Dorothy Loudon brings Michael Frayn's backstage slapstick farce to Broadway in Michael Blakemore's production that includes Brian Murray, Paxton Whitehead and Victor Garber as her backstage conspirators. (245 3430).

(245 3430). calm in Gilead (Minetta Lane): John Malkovich's energetic but nostalgic revival of an early Lanford Wilson play brings back the wide-eyed, drugged out 1960s and 70s to the ac-companiment of Bruce Springsteen songs. (420 8000). publiers (Jack Lawrence): Based on American pioneer women's descrip-

Initiers (Jack Lawrence): Besed on American pioneer women's descrip-tions of their work in making quilt blankets, Molly Newman and Bar-bara Damashek's musical arrives in New York remounted from its mod-est origins in Denver. (307 5452).

LONDON

Mother Courage (Berbican): Fine RSC presentation by the design team of Cats - John Napier and David Her-t sey - with Judi Dench as a scavenging, music hall and finally moving Courage pushing her elaborate cart of stage machinery through the Heavyside Layer. Howard Davies directs, good support from Trevor Peacock, Stephen Moore and Zoe

markable as the nearly incestuous tragic queeo lo o thrilling produc-tion by Philip Prowse. Costumes of

shot silk and taffeta, and Robert

David MacDonald's translation bravely takes oo the challeoge of

Racine's untranslatable Alexer drines. Gerard Murphy, Tim Wood-ward and Georgina Hale in a strong cast. (928 7616).

ward and Georgina Hale in a strong cast. (\$28.7616).

Two Into One (Shaftesbury): Donald Sindeo and Michael Williams head the cast of a hissfully finnry faree by Ray Cooney in the old Whitehall tradition. An irate manager, Liouel Jeffries, declares: "There's far too much sex going on in this hotel, and I'm not having any of it." Not to be missed. (379.5389).

The Real Thing (Strand): Jenny Quayle and Paul Shelley now take the leads in Tom Stoppard's fascinating, complex, slightly flawed new play. Peter Wood's production strikes o bappy note of serious levity. (838.2860/4143).

Daisy Pulls II Off (Gobe): Enjoyable romp derived from the world of Angela Brazil novels; gym slips, hockey sticks, a cliff-top rescue, stout

ey sticks, a cliff-top rescue, stout moral conclusion and a rousing school hymn. Spiffing if you're in that sort of mood. (437 1592). Noises Off (Savoy): The funniest play for years in London, now with an improved third act. Michael Blake-

more's brilliant direction of back-stage shenanigans on tour with o

third-rate farce is a key factor.

WASHINGTON

(836 8888).

Crossed Words (Folger): A Christma season pantomime is not much of an American tradition, but with John Neville-Andrews, an English head of the company, and the Globe Theatre as the setting, there is hope it can still catch on. Ends Jan 6. (546 4000).

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Wednesday December 19 1984

New directions in China

MRS MARGARET THATCHER, is today aigning an agreement over Hong Kong's future with a China very different from the politicised and threadbare country she first visited as leader of the Opposition in 1977.

Then, just a few months after Mao's death and the fall of the Gang of Four, the process of dismantling Maoism had barly begun. Now, not only Maoism but even Marxism appear less and less relevent in the context of the new consumerism which the leadership has encouraged to monvaie the drive to pros-

While Mao bas retained his pedestal as founding father of the Chinese revolution, and Marx his status as its inspira-tion, the economic theories of both bave been progressively shelved. The Chinese argu that the country remains socialist because the means of produc-tion — land and factories — are publicly owned, but amallscale ctapitalism, such as mar-ket gardening or the running of restaurants, is thriving on a substantial scale.

China's new rich are mainly the proudcts of Deng Xiao Ping's agricultural reforms which have allowed the peasants to grow and sell what they like, apart from a few compulsory quotas. The "open door" policy of attracting foreign traders ind investors has blossomed beyond

what could have been imagined in 1977, China claims a figure of around \$8bn worth of inward foreign investment since the policy was adopted five years ago, External trade has more than doubled As important as the inward cash flow is the impact of foreign businesses and technicians on a wide range of Chinese people, — from mid-

new seems most unlikely that in Deng's active lifetime China will switch back to Maoist ways. Yet it is certainly possible that from pow on the pace of change will slow. The most diffi-cult in ovations are still ahead. Deng's next step, announced in Octiber, is to reform the urban economy, developing power and responsibility to factory managers and revising China's topsy-turvy pricing system.

The Chinese have already said they will exercise caution in implementing these reforms.

in implementing these reforms.

They have little experience of running the kind of urban economy they envisage, and they have not worked out in detail what they intend to do.
The economic consequence of a
bumpy transition to new pricing system and new forms of
management could include damaging shortages, inflation, and lack of employment.

Programme

These would severely shake the confidence of China's city dwellers. And the introduction of the planned bire-and-fire system, the new requirements for managers to go out and sell, and even the simple need to keep proper track of costs and profils, could generate strains which might require course

So this reform programme on top of ambitious plans for the development of energy, transport and industry, contains plenty of potential pitfalls. With Deng alive and well, China may muddle through successfully to create the infrastructure needed for the 1990s. But without blm. it is still a moot point whether any of his likely successors have the strength and charisma to keep China firmly on its present track.

There is still a band of mid-level officials, recruited during of Chinese people, — from midlevel bureaucrats to students
and oil rig hands — who previonsly were excluded from first
band contact.

Deng's ideas are popular with
a great number of people in
Cbina, the rural families who no
longer bave to endure penury,
intellectuals who get a much
better deal and the thoughtful
officials in indutry and the
bureaucracy who see them as
supplying the motive power for
the first real leap forward that
post-1949 hCina bas known. It

Scrooge rules in council housing

MR PATRICK JENKIN, who seems to share with Mr Nicholas Ridley the role of official scapegoat for all the more unpopular aspects of the Government's policies, has been trapped again. With scarcely concealed distaste, he an-nounced yesterday that the imposition of a new set of Treasury rules and forecasts will result in a severe cut in local authority capital spending, mainly on housing, amounting to some £900m.

The ruling, which will offend as it does the housing lobby, seems to arise from a particularly mean-spirited application of the Government's beads-we win, tails-yow-lose approach to local authorities. Two or more incompatible sets of rules are the building industry as much as it does the housing lobby, seems to arise from a particuincompatible sets of rules are imposed, and whichever one imposed, and whichever one building should now be selfproduces the most unfavourable answer is held to apply. In this case, the local authorines are gramme meets a clear need, it subject in general to a restric-tion on their borrowing, which is legitimate within the terms of the medium term financial capital investment. When, as

ing the flow of funds resulting from asset sales is not con-vincing; arbitrary and unex-pected changes in capital plans are not an efficient form of smoothing. He was clearly embarrassed by the clear contradiction between this strategy for public bouses could be used to build new ones, a policy which effectively mobilises the public sector housing stock. Selling houses and banking the proceeds affects nothing but the

statistics. uses resources which are underemuloyed and available at very favourable real costs, and can be financed from existing cash strategy; but they are also sub-balances. It is true there is ject to a cash limit on their a confingent liability for rent capital investment. When, as subsidy to poor and unemployed this year, they can spend without borrowing, the more restrictive rule is imposed.

Mr Jenkin's attempt to justify this in terms of smooth-

A marriage will not now take place

THE BREAKDOWN of merger tivity essential to their role as talks between the worldwide auditors. accounting partnerships of Price Waterhouse and Deloitte created anything approaching a Haskins and Sells will be welcomed by most people apart comed by most people apart by the relevant anti-trust from the group of partners who authorities. But it would bave initiated the plan and bave now been made to look very silly. There are several reasons.

As yesterday's announcement demonstrates, the arguments for a marriage were not per-suasive. The main motive seemed to be a wish to petitors, strengthen the firms' con-Finally, such a link would sultancy business in the U.S.— have put an enormous strain on waa not particularly

A merger would not have monopoly which is why it was cleared — after some thought led to further polarisation in the auditing of major com-panies, which is already tending to concentrate around less than a dozen international firms. And it could well have led to further defensive mergers among com-

the concept of the partnership. relevant to partners or clients Senior members of the two elsewhere. In addition, there firms are already shown to be are legitimate grounds for out of louch with colleagues anxiety about the size and range who have rejected their who have rejected their nuptial plans. The idea of of consultancy work being nuptial plans. The idea of developed by such firms. The running a firm with more than question is whether these 4,000 partners — which is what 4,000 partners — which is what a merger would have meant activities are compatible with a merger would have meant the Independence and object bardly bears thinking about.

THIRTY YEARS ON

The dawning of the day of the robot

By Peter Marsh

Engelherger.
Interest in such hardware is not confined to the U.S., where several small concerns such as RB Robot and Androbot have sold for several years (and with

varying degrees of success) small robots for hobbyists that

cost several thousand dollars. The machines are dismissed as

playthings by veteran robot-makers such as Mr Engelberger In Sweden, researchers at Electrolux are examining ideas

for bome robots that would vacuum the floor. In Japan, engineers started last year a 87ām project backed by the Ministry of International Trade

and Industry to develop by 1991 intelligent robots to work in hazardous environments, such as under the sea, in nuclear power stations or in rescue work

fter earthquakes. Reekie Research, a tiny com-

managing director, hopes to sell for about £700 (\$840), could later be developed into a domestic model that could per-

form tasks such as looking after

form tasks such as looking after old people living alone.

In Mr Reekie's view, small enterprises will pioneer the work in home robots—just as they did in home computers. "The big companies bave the resources but do not bave the imagination."

Not everyone agrees with this

imagination."
Not everyone agrees with this optimistic stance on inteligent robots—Mr Devol is one of them. He says of household robots: "Maybe they'll come, maybe they won't. The price will have to be low and they will need more sophisticated computers than we have at present."

Development of more advanced machines would greatly expand the available market for robots. The current generation of robots, of which some 50,000 have been installed, are almost exclusively confined

to manufacturing industry.

science fiction and production engineering collided. The result was an industry in robots, a fledgling busipess that in the coming decade could pro-foundly affect the way people

The event was the filing in the U.S. of a patent in "pro-grammed article transfer." Its progenitor was Mr George Devol, a prolific inventor who had developed audio hardware for the first talking movies and radars used in the D-Day land-

The sale of industrial robots, defined in technical parlance as computer-controlled arms for factory jobs, evolved from this patent. Today 500 companies sell the machines, generating a world turnover of about \$2bn. Yet the day of the robot as

Yet the day of the robot as the true engineering device— as opposed to something dreamed up by science-fiction writers—may still be in the future. The devices are increasingly becoming part of automated systems in factories that link a variety of production tasks such as machining, assembly and Inspection.

These networks of bardware promise to change the way workshops operate, by making goods more efficiently and with quicker turn-rounds

In a development whose consequences could be still more far-reaching, a small cadre of engineers around the world is working on "intelligent" robots with rudimentary reasoning power and senses which Mr John Reekie, the such as vision. Such hardware would work in people's homes and in service industries such as food preparation, security work and cleaning.

In the forefront of these moves is Mr Joe Engelberger, a charismatic U.S. engineer who teamed up with Mr Devol in 1960 to form Unimation, the first company to sell industrial robots. Mr Engelberger, who sold Unimation to Westinghouse two years ago for \$107m, bas set his sights on raising \$25m to produce a robot for petal stations. rol stations.

The machine would take the place of a station attendant (or, at self-service garages, the driver) in pouring fuel into cars and lorries. Unlike the so-called "first generation" robots that populate factories, the hard-ware would be on tracks or wheels and bave sensors such as TV cameras to provide information, for instance the type of vebicle and the location of the

In Mr Engelberger's assessment a fully-fledged household people had thought of robots as robot—"an bonest-to-God robot. mawkish characters in sciencenot a toy"—could be on sale in six years for jobs such as ain-dow cleaning, while the filling attender device could appear in was 10 abandoo the quest to attender device could appear in two years.

A machine to perform more simple tasks, to give patients their meals in hospitals for instance, could be developed within 18 months, says Mr

and concentrate on something more practical.

Both men admit that they chose for their creations the word "robot" simply to attract publicity. Mr Devol says the word caught the attention of executives

word caught the attention of executives.

Mr Devol's patent was aimed at automating handling operations of which every factory contains a buge variety.

He realised that only when the operation was part of a high-volume manufacturing activity (in which perhaps tens of thousands of items are made in very long batches) could a pro-

components change from day to day, or even hour to hour this fact is as true today as it friendly:
was in the 1950s.
As a record.

characterised in bis patent as Mr Engelberger eventually "exceedingly wasteful of precious manpower."

Mr Engelberger eventually act up Unimation with financial help from Pullman, an enter-

HIRTY YEARS ago this hard and deep that I feel it's begin to emulate people, they month the worlds of easier to make an advanced will by a circular route have it was to set up Unimation in ciples of robot-building.

build such machines, which with the technology of the time would have been too difficult

very long batches) could a production engineer justify the costs of installing specialised handling equipment based op mechanical devices such as stops and cams.

Most factories, however, made things in small batches in which the size and shape of components change from day to

engineer already had a keen interest in As a result, most handling robots as a result of reading jobs ban to be left to people, the science-fiction stories of Mr a state of affairs that Mr Devol characterised in his patent as Mr Engelberger eventually

cious manpower."

The solution, said the inventor, was to link to mechanical arms magnetic memories of the kind that were appearing in the from Mr Devol,

The robot industry left the plateau stage in the mid-1970s when manufacturers showed

early computers. Mr Devol had gained experience of such devices through working for factory equipment backfired. With robots having entered the first computer maoufacturers.

To change the operation of the arm, an engineer would simply aiter the software (ip the early days, this was a set of punched cards) that feeds information to the memory.

"The present invention of the workforces of the machines "universal inventions of the machines" in the machines "universal inventions of the machines "universal inventions of the machines" in the machines "universal inventions of the machines" in the machines "universal inventions of the machines" in the machines "universal inventions of the machines "universal inventions of the machines "universal inventions of the machines" in the machines "universal inventions of the machines" in the machines "universal inventions of the machines "universal inventions of the machines "universal inventions of the machines" in the machines "universal inventions of the machines "universal inventions of the machines" in the machines "universal inventions of the machines" in the machines "universal inventions of the machines" in the machines "universal inventions of the machines "universal inventions of the information to the memory.

more interest in the machines

The devices could be controlled by advanced computers, of the sort that electronics researchers are struggling to build, that would make elementary decisions.

"I was there at the beginning and I feel it's my destiny to take a lead in the production of service robots," says Mr Engelberger.

"These machines perform tasks such as welding car bodies, and the production of conveyor build, that would make elementary decisions.

"I was there at the beginning and I feel it's my destiny to take a lead in the production of service robots," says Mr Engelberger.

"The present inventiop calling the machines "universal time," said Derol in his patent, after Unimation started selling the machines "universal time," said Derol in his patent, after Unimation started selling the machines "universal time," said Derol in his patent, after Unimation installed the would live of see robots in application to a vast diversity of applications where cyclic control is to be desired."

"I was there at the beginning and I feel it's my destiny to take a lead in the production of service robots," says Mr Engelberger.

"It is an lronic thought, that if the more advanced kind of Engelberger, who was 13 years the recent of all robots to see robots in after Unimation installed the would shares of the would shares of the more advanced kind of Engelberger, who was 13 years the recent of all robots to see robots in after Unimation installed the would shares of the would shares of the would inversal after Unimation installed the would inversal after Unimation installed the would inversal after Unimation installed the would shares of the machines "universal after Unimation installed the would inversal after Unimation installed the would inver

The robot industry left the platean stage in the mid-1970s when manufacturers showed more interest. In 1982, the recession in the world engineering industry began to hite and sales levelled off again, though they may once more be starting to climb.

THE SAVING OF LABOUR

THE ROBOT: 'Master, I can do the work of fifty men.

EMPLOYER: 'Yes. I know that, but who is to support the fifty men?'

According to many analysts, the robot market is suffering from an over-abundance of supfrom an over-abundance of sup-pliers which has left customers confused. Anxious not to be left out of what appears to be a glamorous technology, major U.S., companies such as General Electric, IBM, General Motors and Westinghouse (as well as several big Japanese concerns) have joined the robor business over the nest few wars. over the past few years. "The big companies jumped

into an industry that wasn't ready for it, "says Mr Engel-berger. "They are losing mil-linns of dollars trying to carve out a share. Before the business is really settled, we will see a

About 40,000 industrial robots, worth roughly \$2.4bn, should be sold around the world next year according to one forecast from IBM. Some observers see sales growing at roughly 30 per cent a year, pro-

in the aircraft in Tool and Borg-Warner that type of product can be altered. The two became started making robots in the between batches. The individual Mr Engelberger 1980s suffered similar problems. machines are linked by data machines are linked by data highways in much the same way as offices are connected by the ordinary telephone system.

As a result of this development, robot suppliers are forced to become not just purveyors of mechanical hardware but skilled to extensive and the

but skilled in software and the art of integrating segments of manufacturing apparatus under manufacturing apparatus under computer control.

"A customer won't go out and just huy a robot," says Ms Laura Conigliaro, an analyst with Prudential Bache Securities of New York, who studies technical trands in manufacturing.

"He is looking for a complete relution to a production prob-

solution to a production prob-According to some experts new technologies in sensors and computers, many of which are under development in academic laboratories, may strengthen the role of robots in factories by broadening their capabilities.

The links between the robots of science fiction and those of the real world were neatly summed up by Mr Asimov in a foreword to an engineering manual on industrial robots that Mr Engelberger produced

three years ago.

Allipding to his famous collection of short stories on sublished in the 1940s.

A tip for the Kremlin It may bave been a Freudian

slip—the Press Association report which yesterday des-cribed Mikhail Gorbacbev as tipped" to succeed President Chernenko Soviet instead of "widely tipped."

But it was a timely reminder of the pitfalls of predicting what is going to happen in the

The Old Kremlin-watcher's rule of thumb is that the more a man is tipped to succeeed, the less likely it becomes. Trotsky lost out to Stalin, Malenkov to Khruschev. And even before Gorbachev landed in Britain, the Foreign Office seeers were warning that persistent press stories describing him as the Kremlin's number two could only damage bis chances of reaching the top.

Press men believe they have

sound reasons for disregarding such caution. But the very success of the Corbachev visit has reinforced some fears about the boomerang effect in Moscow.

Praise for Gorbacher's quickwitted affability, and his chickwife Baico programming the corporations of the corporation of wife, Raisa, personalises the



he's just heard about the chairman's salary increase"

Men and Matters

And what will be made of

comments like that of Mrs Thatcher—"I like Gorbachev, we can do business together?" But nothing that Gorbacher has said shows bim to be a soft touch. And times may be changing. Gorbachev, after all, sur-vived the last succession to become an even hotter favourite for the next.

Dealt in

Andrew Smith, aged 38, who is joining the City of London discount bouse Alexanders Discount from Bankers Trust turns out to be a key figure in John Barkshire's plans for a broadly-based primary dealing company after the City's ex-pected "Big Bang" in 1986. Barkshire is chairman of Mercantile House which owns Alexanders, together with another discount house Jessel Toynbee Cillett (itself the rogeny of a merger last year

of two houses).

Mercantile House also bas 29.9 per cent of slockbrokers Laing and Cruickshank and is expected to complete the pur You name it chase when the rules permit. Barkshire's strategy is to run the discount houses and the

brokers in harness Smith is to have special naming its new securities responsibility for bringing operation with Wedd Durlacher them together by setting up and De Zoete and Bevan. and managing a new market-making company (no name chosen yet). His merry men mover in the venture, C. A. can expect to find themselves trading in gilts in a combined

trader. He went to Oakham new outfit will be sailing, it School, Leicestershire, took a degree in mathematics at call it Sarclays' Wedd-Zoete London University (which (geddit?).

pair in a way which may be makes him a rare bird among awkward to explain to the face-less collective leadership back home. The gilts market has a high regard for him both as a trader and because of his experience

as a principal with Morgan Stanley and Bankers Trust. They also say that be has a reserved manner and is an in-A whole year's supply of Economic Trends can now be yours for a mere £125—almost typical markets man at all.

Whip-crack

In taking the unprecedented step of depriving Lord Alport of the Conservative whip in the Lords, Government Chief Whip, Lord "Bertie" Denham has shown that his formal title, Captain of the Cepllemen at Arms, for all its Cilbert and Sulfivan overtones, still carries

But the move hardly squares with the classic definition of the purpose of the wblp, ad-vanced on an earlier occasion by Lord Hailsbam, Lord Chancellor. He described it as " a summons to attend and not to vote." Former Tory minister Lord Alport's crime was that be did vote-against the Government.

A prompt response from readers, anxious to help Bar-clays solve the problem of

Chapman suggests that Bevan Wedd Bevan might be apt dealing room.

Smith is quite unlike the that, in view of the stormy, untraditional City idea of a gilts charted waters into which the

Price trends

Who's first off the mark, offering customers the same high quality product for new, lower

No, it is not Marks and Spencer; or Austin Rover. And even though the offer is Government guaranteed, you know it can't be British

The answer is—Whitehall's very own Central Statistical Office, which is slashing the prices of its blockbuster pubications almost to giveaway

125 off previous prints. There is \$5p off a single copy of Monthly Digest of Statistics. Statistical News is down, down, down by 25p a copy. And you can get £7.25 off a 12 month subscription. subscription to Financial Statistics—including postage and annual supplement.

What has made these New Year bargains possible? The CSO says proudly that it has all been achieved by "using more efficient means of distribution and production." It pledges: "There will be no reduction in the quality, size or coverage of the various publications.

But will they tell a better story?

Trade mark

Colneidence? — surely not. Nissan will start assembling its cars in the UK in 1986. But it cannot expect to be free of the quota controls on Japanese car imports until it commits ltself, as expected, to full-scale manufacture a year or two

It looks like a dig in Covern ment ribs, therefore, to have ppened its London office at Arlington Street, St James's, in a bullding which was once the London home of Britain's first Prime Minister, Robert Wolpossibly the most ardent British free trader of all time.

Observer

nd money. The victims of famine in Ethiopia need food and water - right now! Public response to Ethiopia has been magnificent. Generous gifts have enabled us to rush out vital food grain and mount an emergency aid programme. But the needs are enormous. We now need more money for food, water, transport and long term help to bring these poor people back from the brink.

Join Hungry For Change'. Clearly, we can't go on like this. In the long term we need change. Ethiopia needs it. Sudan, Chad, Brazil . . . we all need a change in the system that allows 500 million people to go hungry every day. in October we launched a campaign to make. that change. We called it 'Hungry For Change'. Please fill in the coupon below and join us today.

Yes, we need your money, but more than that -we need you!

1. i enclose a do			
2. Yes, I will join Please send me	Hungi	y For C	nang
NAME	rieraniz	 Minised	ra cei

Please return this coupon to Guy Stringer, Oxfam, RoomFT03 , Freepost, Oxford 0X2 7BR.

Slowly but surely comes a revolution

By David Goodhart

plecein most of Europeand tha men, will go.

But outsida London it is beginning to be a different story. Parts of the provincial press — 1,300 titles with a total daily and weekly sale of 7m and 9m copies — may now at last be on the verge of an industrial trans-

in at least two companies a costly, time-consuming and technically unnecessary stage of the production cycle will bave been shed forever. And to many people's suprise it is almost certain to be done with

union agreement.
The way in which this change is taking place bas implications well beyond the newspaper in-dustry. For while the new technology will sweep away pro-duction jobs, international experiance suggests that the total number of jobs in the industry will actually expand. Craftsmen whose skills have disappeared have found themselves doing jobs they never imagined they would be doing in such areas as sales and

For employers and unions the agement of such change is a formidabla problam, the more so because the industry is like so many others in Britain one in which several unions are jockeying not only for posi-tion, but also for survival.

The impact of the changes on tha product or indeed oo the recently improved finances of the industry may not be great in the short term. But the new computer systems make it far easier to produce appers and are, i athe longer run, so much cheaper to operate that such papers can also be profiable with much smaller circulations.

At the heart of the new technology is what is called a "front end "production system. This allows journalists or advertising staff to Input "copy" This allows journalists or advertising staff to luput "copy" department—but 73 NUJ memdirect into a video terminal bers are now on strike because and then — at the press of a of it. button — transform it into Mr

newspapers.
For 20 years unions in Fleet Street bave to varying degrees successfully blocked new processes which are now common-plecein most of Europeand the

In one medium-sized evening paper the first stage of single-keying will mean the 80-strong composing room shedding about 20 jobs through redeployment and natural wastage,

The phasing out of page make-up work will probably By the middla of naxt year and eventually at least balf the jobs will go including those of the readers who check proof cut the same number again -

The inter-union problems ln the provincial press arise primarily from the fact that the disappearing jobs are almost all represented by the strongest union in the industry. tha National Graphical Associa-

The changes should, over the next five to 10 years, mean that NGA membership in the pro-vincial press will fall from about ff,000 to under 6,000 in an industry which now employs 43,900. But the NGA is already by trying to redraw the union map to its advantaga.

It is a daunting task for the 105,000-strong union. ft will bave to prove in the process that It can mutate from being a disciplined, blue-collar union to being a more flexible, whitecolar one. If it does not, it will fall to bold the mobile and less union-inclined workforce of the future.

In the meantime, the two other main nnions — the National Union of Journalists other (7,000) and the semi-skilled and clerical Sogat '82 (9,500)—have also to be persuaded or cajoled into accommodating former NGA members in "their" areas, And that will not be easy.

At the Portsmouth News, the NGA has successfully persuaded the management to transfer three compositors inlo sub-

Mr John Ibbotson, deputy

THERE IS no single sector of computer-set columns of type. general secretary elect of the British industry where new But the computer set columns NGA, is unequivocal: "A Portstechnology poses e more of type can also be assembled mouth-type transfer deal is now dramatic challenga than in electronically on a larga, page a condition of moving forward on technology in all companies

brsnch) at Portsmouth, replies:
"Of course we welcome
preperly retrained NGA members taking editorial jobs but
more they move into this department we must represent them
as has always happened in the as bas always happened in the But if the NUJ tries to launch

an industry-wide "boly war" against the NGA's toebold, it will probably be the loser. Managements will continue to be tampted to do deals with the stronger union. And the NGA, careful not to fight on two fronts, is coming to agreemants with Sogat—on paper at less: with Sogat—on paper at least—for 50:50 representation in the relatively non-unionised clerical sector of the industry.

Union resistance has, until recently, been matched by management lnertia on the "alectronic newsroom." But the battering banded out to most papers by the recession in f980-82 colocided with the growing encroachment of free newspapers on to their advertising monopolies put an end to that in some companies.

Project Breakthrough, the technology fanfare of the Newspaper Society, the provincial employers body (excluding Scotland), may bave failed in its stated aim of reaching an unlons on single-keying by January f, 1985, but it bas succeeded in increasing pressure on the NGA.

When the Messenger Newsaper Group proved last year that the union could be by-passed (as the Nottingham Evening Post had done nearly 10 years before) the fear of others following suit also increased the need to make at lease local agreements some-thing more than an ever receding promise.

The NGA is only too aware the American conflict "model" for the introduction of single-keying bas seen membership of the printers union, the International Typographics International Typographical Union, alump from 110,000 in 1967 to 35,000 now at a time when total employment in the



Compositors at work et the Liverpool Baily Post and Echo

industry has increased from 345,000 to 421,000. It is true that the NGA is more difficult to by-pass because it also bas members in the machine rooms, but British provincial papers bave shown on several recent occasions that it is possible.

The concession came—almost in disguise—earlier this year in the Way Forward document by Mr Tony Dubblus, the NGA's master-strategist and new general secretary. For the first time, formally, in writing, the NGA relimquished control of the keystroke as long as the direct-inputting is still done by a union member.

The rest of the document was concerned with the politics of inter-union relations—guided both by the auspoken selfpreservation instinct of the NGA bureaucracy and a real anxiety about deunionisation. For NGA leaders recognise that all unions will be weakened by an electronic technology which will make it far easier for managers to keep papers coming out during disputes. An ingenious NGA plan to relax the traditional job-related union structure in favour of a more ebstract one third each breakdown between itself, the NUJ and Sogat, has been niffed at by the other two

One union for the printing industry would side-step this divisiveness, but a mixture of organisational incompatabilities and membership resistance makes the prospect almost as distant as it was six years ago when serious talks first began.

The Portsmouth and Sunder land Group has chosen to nego-tiate a way through this mine-field and despite occasional threats and conflicts is now achleving resutts. Laat week the company had the first and apparently constructive round of discussions with Mr Dubbins on final stage of the NGA's three-stage negotiated route to

Away from the Breakthrough spotlight several other negotiaspotignt several other negotia-tions bave continued at local level — where progress has alwaya been more likely. [In the general print, the NGA rejected a national enab-ling agreement on new tech-

nology two years ago, but now tha amployers have got most of what they wanted locally.]

Several other companies have ither advertising/editorial systems or are on the point of buying them from one of the many, mainly American, sup-pliers who have recently set up bases in this country with an eye to the provincial market. They include: the Birmingham Post and Mail; Eastern Countles Newspapers: East Midland and Albed Press, the Bolton Even-ing News, and the Wolverhampton Express & Star. The bigger groups such as Westminster Press, United

Newspapers, Associated Newspapers, Thomson Regional Newspapers and Reed International all have their technological front-runners, but they are generally walting and watching to see how single-keying works in the smaller groups before making the major investments necessary.

In the longer run by lower the cost of entry into the market it may as in America boost further the trend towards small local free newspapers. Il may also encourage more editionalising and genuinely

European aerospace

The right framework for multinational projects

By Henri Ziegler

IN 1944 under the Yalta agreemeni, the U.S. and the Soviet Union set down their aim of maintaining superinrity over their respective spheres of influence in the western and eastero parts of the world by controlling flows of advanced technologies such as in the nuclear and aeronautics sectors. France, under the leadership of Gen de Gaulle — as China was to do under Mao — affirmed its will to keep an independent place in the world by promoting independent programmes in nuclear energy, eeronautics and

In 1945, as an engineer attached to the French Air Minislry, f was asked to carry outa study on how to bring recovery in the French aircraft ndustry, seriously weakened by

later space activities.

My main conclusion was that no European country disposed sufficient financial and economic means to carry through alone important projects, especially in aeronautics. Such projects could be launched only through policy of European coopera-

This approach, just as it does loday, raised some criticism and nationalistic opposition from sectors of administration and industry. But in the end, realism prevailed. And, nearly 40 years later, the messaga is as urgent as ever; in projects such as the European Jet Fighter project, Europe has no option but to pool tngether its resou rces.

Among the European projects put into effect since f950 bava ben ethe Lynx helicopter proand British Aerospace; the Milan, Hot and Roland missile development by France and West Germany; the multi-national Breguet-Atlantic pro-ject; the Franco-British Jaguar and the Anglo-German-Ilalian Toroado.

In the space sector, which has become of fundamental import-ance for defence, observation and exploration of the planet, communications, Europe bas succeeded in co-operating on numerous satellite pro-grammes. And, above all, it has established a position of autonomy in satellile launching through the Ariane programme, started in 1973 with the participation of 10 Europeans nations. War collaboration, the approach was to set up a system of committees which convened periodically to discuss problems on which the industrial companies had differing points of view.

Concorde, of course, has to he mentioned as an example of technical prowess which unbappily could not escape com-mercial failure.

But the example is halanced

by the success of co-operation neer the Airbus programme. This is now a fundamental part of Europe's commercial aircraft industry, linking principally France, West Germany and Britain but with participation too from Spain, the Netherlands and Belgium.

And now in 1984 five Europeration to the succession of the succes

And now, in f984, five European nations—France, Britain, West Germany, Italy and Spain—have agreed to pool their resources for the development of a European combat aircraft for the 1990s. This is e project of the greatest importance for European defence policies, industrial activity and employment in the alreralt sector.

Misunderstandings among tha industries involved must not be allowed to hinder its development.

What lessons have we learned from this experience of co-operation? ft is clear that

An autonomous legal structure is the most effective method

the success of multinational collaboration does not hinge purely on the bringing together of sufficient financial resources.

ft is vital that the choice of projects should be made wisely, on the basis of sound technical competence and of precise agreement on specifica-tions between industry and the customers—whether they civil or military authorities or commercial airlines.

Additionally, a project will acceed only if it takes account f the world market, notably state of competition in the U.S. No large modero project can bope to generate funds to repay the original investment unless it is realised on a world

Above all, an efficient management structure is essential. During a certain period of postwar collaboration, the approach This system—which was one of the reasons for the difficulties of Concorde—proved totally inefficient, leading often to significant delays end a big increase in costs

The most effective method is undouhtedly to set up, for each multinational project, an auto-nomous legal structure in which partners can freely disboard in which they are represented in thic with their finan-cial responsibilities.

Along the lines deicded by the board, executive responsibi-lines are delegated to a manage-ment selected on the grounds of competence and efficiency, irres pective of nationality.

I established this type of managerial organisation for the first time, more than 30 years ago, with the Seebat (Societe Europeenne de Construction du Breguet Allantique). Since then, a number of similar specfic companies have been set up for the Jaguar, Euromissile and heicopter projects.

fn space, European governments have aso put togather a collaborative framework tbroug hithe European Space Agency, while the banks and industrics are grouped together through Arlanespace.

For the Airbus programme, launched in 1968, a consortium (Groupement d'Interet Econo-mique) was established, sharing the financial participation and risks, which today groups Aero-spatiale, Deutsche Airbus, British Aerospace and Casa of

An important German personallty, Herr Franz Joseph of the supervisory board, with Strauss, was named chairman the management including executives from all associated industries. This organisation has proved its efficiency on the world market.
For the European Jel Fighler,

it is essentia that nationalistic misunderstanding or rivalries over leadership of the project should be set aside. A corporate legal sructure, along the lines of Airbus fndustrie, should be seriously considered both for the arepolnae and maybe aso for the engine, as the right way of carrying the project forward.

The author, now retired, was chair-man of Sud-Aviation and Aerospatiale between 1968 and 1973 and admini-strator of Arbus Industria between 1970 and 1975.

Compulsory liquidation

From the Director General,

ber 12 leaps too quickly to welcome the Insolvency Bill's proposal to disqualify auto-matically the diractors of any company which is compulsorily

The proposal is flawed because it makes such businessmen guilty until proved innocent. Automatic disqualification would even apply to boards which themselves sought the assistance of the court to supervise a liquidation. Many professional bodies have pointed out that compulsory liquidation does not necessarily involve culpability, blameworthiness or attempts to defraud creditors. As the Law Society pointed out, legislation designed to catch the guilty is preferable to that which, at considerable expense in court and professional time, seeks to excuse the innocent.

Were this proposal to ba enacted, venture capital companies and accountancy and consulting firms would un-donbtedly and understandably be most reluctant to lend the

be most refluctant to lend the skills of their staff to the boards of many company start-ups or turn-round situations.

The need is to get the balance right. To bring to justice those who deliberately or recklesly abuse limited hability; yat to anlarge rather than restrict the scope for new business and more jobs. This balance has been recognised clsewhere in tha Bill by the introduction, as this Instituta requested, of a standard of the reasonable and dilligent director against which to measure fault and personal liability for wrongful trading.

The Department of Trada and

The Department of Trada and Industry has, for whatever reason, proved unable to make effective use of its existing powers to prosecute trading with intent to defraud creditors under the 1948 Companies Act. or under the f976 Insolvency Act to seek disqualification of Act to seek disqualification of those unfit to serve on company boards. Rather than give up the struggle and cast ils burden on to the court to sort out, it should amend its Bill. It should require that lluidators and receivers must in every liquidation, voluntary or compulsory, report to the Secretary of State whether or not directors actad whether or not directors actad in a manner which was, in the circumslances, in the best interests of the company's

The Bill must also implement the Cork committee's proposals to reduce the preferred status in liquidations of government departments. Small business creditors receive little after local authority rates, corporation, capital and development developed on the assumption of that we can learn from their land taxes, PAYE and national continuation of the current ability to state objectives

Letters to the Editor

insurance contributions have swallowed up available funds. Many compulsory liquidations are triggered by the Inland Revenue or other government departments. To make compulwhile failing to rectify the over-whelming imbalance against small trade creditors in an insolvency is unfair and unreasonable.

(Sir) John Hoskyns, 136, Pall Moll, SW1.

Largest savings content

From the Chairman Crossley & Pariners

Sir,-The report (December speech at the Institute for Fiscal Studies Conference where he calls for an end to where he cans for an end to tax reliaf on pension schemes on the basis that this is the biggest factor in complicating and distorting tha tax system appears to be a somewhat naive

It might be true that the distortion arises if, in addition to existing reliefs in the United Kingdom, as in the United States, a large number of allowances can be made by the individual as a charge against his income before tax, thus facilitating the accretion of his income before tax, thus facilitating tha accretion of personal wealth. In the UK, however, this is not the case and most employees rely beavily, rightly or wrongly, on the element of corporate sponsorship and the underlying tax advantages of the company persion plan as the only way to provide for their orderly and economic retirement.

In addition Mr Chappell also claims that doing away with tax advantages would not increase employers' costs. It should be clearly stated that this is not tha case as, if all reliefs were even phased out, the increased cost for companies providing final pay based pensions would increase by up to 10 per cent of

payroll. At the same conference it was staled that the present system is a system of tax deferral rather than relief. This is a correct stalement and the system creates the largest single saving content in the British economy. Many pension scheme commitments and insurance company contracts bave been reliefs and any significant change would either involve extremely complex transitional arrangements or serious financial difficulties.

If the reliefs were termi-nated the fabric of employment costs would totally change and, as we have seen in the United States, the result would be a progressive termination by companies of defined benefit plans and the adoption of money purchase, book reserve financing or even no advance

provision at all. It is time that those in the UK who bold themselves out to be experts on these matters looked outside these shores to gain the advantage of other countries' experience. The problems we face today in tha UK are not new.

Martin J. Crossley, 39, Queen Anne Street, W.1.

Closer EEC trade

From Mr P. Oppenheim, MP Sir,-The complaints (December 12) of M Jacques Dondoux, director general of the French state telecommunications ad-ministration, that Britain is dragging its heels on proposals for closer EEC cooperation on telecommunications ring rether bollow.

Whereas Britain is virtually the only European country to have liberalised its telecommunications market and opened it up lo overseas suppliers. France remains obdurate in not allowing British manufacturers to sell equipment in its home market. There are currently several items of French telecommunications equipment either in the process of approval or which recently received approval, yet there is no reclorocal access to the French market for British manufac-

Perbaps M Dondoux's whinge-ing would be a little more con-vincing if he would attempt to practise what he preaches. Phillip Oppenheim. Housa of Commons, SW1

Charismatic leaders

From Mr J. Pilditch Sir,-Speaking of leaders Christopher Lorenze (December 7) says, rightly, that we can learn from their clearly and communicate them
... and from their concern for
morale and training. What be
didn't ask is why they bother
lo be good at these things.
I suggest it is because they
know that, in the end, everything depends on the people

you've got. If, as he claimed, they can take the consent of their troops for granted, they'd hardly

I submit military leaders can assume loyelty and consent because they take endless pains to establish and nourish them.

There is probably no institu-tion or organisation on earth that spends more time caring about its peopla than our armed forces. Caring about the people they lead is a dominant concern. It is bred into all

If that is so, and it is, then the analogy of the charismatic military leader as "the great man on a white horse" and any implication that he is auto-cretic and authoritarian, is likely to be out-of-date.

high-handed but because they are hugely aware of the value of their people.

And doesn't it show, by that

way, how it is possible to be caring without being weak, the thing macho managers fear The essential point about modern business, certainly in Britain, and one mennioned by Mr Lorenz, is that "business leaders continually have to create and sustain consesus."

If that is what carrying people with you is called, then who knows more about it then the armed forces? f don't mean

ruling by fear; that is not bow they do it, but by shared values, bigh training, high morale, clear communications and so forth.

Christopher Lorenz is right about aomething else, too. He says that businesses are very complex, facing not one "enemy" but several, all the

That very complexity makes lt impossible to manage from a distant peak. The modern manager simply has to select good people, train them well, inspire them with purpose, give them clear aims and plenty of responsibility and keep athem informed. In every one of those departments, the forces are miles more advanced than almost all industry.

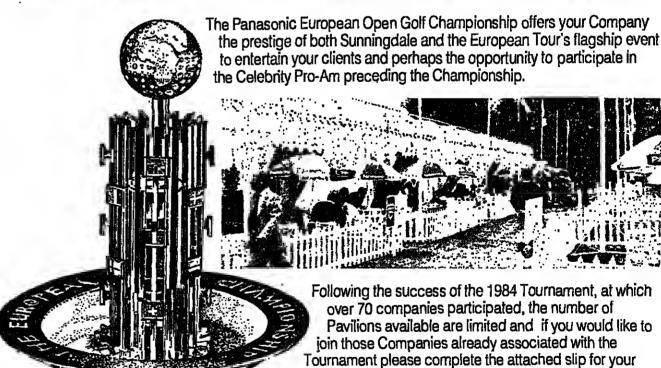
If the question is: can businessmen learn from the military, the answer is "yes", but they already do! It is hard to think of a single maxim from any business school that hasn't obvious military antece dents. The trouble, I have tried to say, is that we don't always draw tha right conclusion. We all bave much to learn from the military, but being "macbo" isn't wbat they teach.

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James Pilditch.

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Religious party row threatens Israeli coalition

By Our Tel Aviv Corresponden

A LONG-SIMMERING dispute between two small Israeli religious parties came to a bead yesterday and threatened to bring down the

coalition led by Mr Shimon Peres. The right-wing Likud bloc, one of the two main pillars in the mulbiparty unit y government, made clear it was standing firmly behind Shas, an ultra-orthodox faction which left the Cabinet at the week-

Mr Yitzak Shamir, the Likud leader and Foreign Minister, threat-ened to resign. He said that Mr Peres, the Prime Minister, bad until Thursday to satisfy Shas's demand that it have control over most

religious affairs.

Mr Peres's Labour Party bas so far sided with the more moderate National Religious Party (NRP), which is demanding that it should run religious affairs.

Mr. Shamir stalked out of an emergency Cabinet session and gruffly told reporters; "This Government is in danger ... the situation is

He charged that Labour had made no serious attempt to settle proposition at the DTI and be knew of no made no serious attempt to settle the Shas NRP dispute, which has been rumbling since the Govern-ment took office three months ago. Mr Shamir initially gave Labour

only 24 bours to come up with a so-lution to the dispute, but he said lat-er that the Likud ministers would put off a decision until tomorrow. It took Mr Peres almost two

Likud's resignation from the coali tion would almost certainly bring on another long political crisis. The Prime Minister, facing important decisions on the inflation-

plagued economy and Israeli mili-tary withdrawal from Lebanon, said the religious parties' dispute was not important enough to topple a We have no right to push aside

all the burning issues confronting us, and begin a new political game.

He listed three priority issues that would be affected by a new out-break of coalition haggling - negotiations on more U.S. aid, withdrawal from Lehanon and the continuation of the current freeze on wages

withdrawing Israeli forces from price. Lebanon go into boliday recess

BY ALEXANDER NICOLL THE Takeover Panel, which acts as

sals if they misled sbareholders in

there bas been a number of recent

takeover circulars which have

failed to measure up to adequate

standards. These have included in-

accurate or misleading statements

unsatisfactory graphs and dia-

offensive or defensive circulars,

UK takeover warning

the referee in British bid battles. Earlier this month, however, it re-yesterday warned companies that quired the British group C. H. Beaz-

they would be subject to swift repri- er to re-scale and rebase a graph

The Panel is concerned that land, and in September, both the

Thatcher faces fresh revolt by Tory MPs

bel oo the issue.

tacking the Government.

about the long-term political future of both Mr Jenkin and Mr Ridley,

especially the latter, who has been

strongly crihcised by Tory MPs, not

only for his airports policy but also over the privatisation of British Airways and proposed liberalisation of

The Civil Aviation Bill proposes

BY PETER RIDDELL, POLITICAL EDITOR, IN LONDON

from its own members of parlia-

ment on both the Civil Aviation Bill and proposals for public bousing investment, following one of the roughest maulings given to senior ministers seen in the House of Commons for some time. First, Tory opponents of the de-

velopment of Stansted in Essex as London's third interoational airport succeeded, for the second week running, in blocking discussion of the Bill in a House of Commons' com-mittee, leading to an unprecedented political and constitutional stale-

This bas forced Mr Nicholas Ridley, the Transport Secretary, to re-consider the future of the Bill, on which be will make a full Commons

statement probably today. Second, on the floor of the Com-mons, Mr Patrick Jenkin, the Environment Secretary, was savaged for an hour by Tory MPs as well as opposition members over his proposals on local authority investment. which, the critics say, will squeeze bousing. The Speaker of the Commons (chairman), unusually, agreed limits on aircraft movements in and to an emergency debate for today, and last night a sizeable number of argue must lead to a large expan-

THE UK Government faces revolts Tory MPs were thought likely to re- sion of Stansted, though this is de nied by the Government.

The Government has three main Moreover, in the House of Lords, options. The first, believed to be fathere was the unprecedented step voured by Mr Ridley, is to seek another attempt to start discussion in the committee. The second is to proof a Conservative peer being disciplined by his party. Lord Alport, a minister in the Macmillan adminismise to amend the Bill, and the tration in the late 1950s, bad third, sought by Labour and by the warned last week that, if the Prime outright Tory critics, is for the whole Bill to be withdrawn. Sugges-Minister continued with ber present policies, she would destroy the tions that the rebels might be re-Conservative Party, and be had moved from the committee were then voted for a Labour motion at-

last night regarded as improbable.

Even if discussion of the Bill goes These events, together, have un-settled Tory leaders at Westmin-ster, just when they boped that the ahead, it is now clear that there is a majority in the House in favour of significant amendments to the Bill, in particular the raising of the limit water was calming ahead of Christof 275,000 movements a year in and out of Heathrow suggested by Mr

> The discussions in the committee yesterday morning were conducted in a highly charged atmosphere, with Tory whips scurrying to and fro, trying to persuade the rebels to toe the line. Later, Mr Peter Snape, Labour's Aviation spokesman, called for the Government to with draw the Bill, in view of its unprecedented failure to carry the sittings

> he said that the chairmanship was

"an interesting joh that someone will have to pick up and take us

Even before the bombing a

Brighton, on the the south coast of England, colleagues had thought that Mr Tebbit might become chair-man towards the end of 1985.

During his toterviews Mr Tebbit

stressed that his main priority for

through to the next election."

Sweden serves up aces in world

By John Barrett,

SWEDEN'S devastating Davis Cup victory in Gothenburg this week over the most powerful American team ever fielded underlines the spectacular advance made by this sports-mad Scandinavian country since Bjorn Borg fired the imagination of their tennis youth in the

Sweden, with a population of Anders Jarryd and Joakim Nys

Borg's prodigious achievements led to a doubling in the number of tennis players in Sweden between 1973 and 1976. As a result local authorities throughout the country were forced to build permanent indoor courts. Some were constructed of local timber, others of steel. They even tried outting strong plastic sbeeting over a steel frame. The costs which varied from £125,000 to £900,000 (51,08m) for a three or four-court complex according to size and materials was a one-off charge against the rates, and good design kept running expenses for staff and beat to a minimum.

It is hard to believe that tennis rates only eighth in the list of most popular sports in Sweden until you learn than 2.5m Swedes - over 25 per cent of the population - are involved in one or more recreational activities. One secret of Sweden's success lies in the organisation of sport throughout the 23 administra-Each sport's governing body is mirrored at district level and within the districts each club has similar com-

This produces a framework for an excellent coaching system mnch of it amateur - in each sport There are only 30 full-time tennis coaches in Sweden with 100 or so trained part-timers, all of whom attend the annual conference where technical and tactical problems are discussed. The strength of the system, however, lies in the amateur coaches in the clubs - 8,000 of them have attended courses in the past decade - who set the very youngest off on the right lines.

At the top of the pyramid nahon-

tennis

recently in Gothenburg

8.5m and an estimated 400,000 tennis players, now bas four men -Mats Wilander, Henrik Sundstrom trom - in the world's top ten and a fifth, Stefan Edberg, at No 20. In the 16 years of open tennis only Australia once (1969) and the U.S. five times (1977-81) have had

Consequently there are now 1,400 indoor courts around the country among the 950 tennis clubs, whose 125,000 registered members pay annual fees of about £10 for advance booking rights. Any member of the public can play at any club if the courts are unreserved. Court fees range from £8 at peak bours to £4 in the middle of the day, and in these off-peak hours juniors can often play for nothing. Thus cheap tennis has been made available to the masses in a unique way among

European nations.

Short tennis, a mini-version of the game played with a sponge ball aged five-year-olds to time a moving ball with proper strokes.

A pyramid of competitive events from club competitions in the districts to vast national tournaments like the Kalle Anka (Donald Duck) event with its 13,000 entries each year in three age groups (between 11 and 15) have provided the pathand several smaller U.S. banks cut way for ambitious youngsters to their prime lending rates by half a taste success; Borg, Wilander, Sundpercentage point to 10.75 per cent, strom and Edberg are all past win-

al junior squads in the 14, 18 and 18 porate lending rate is now at its age groups are under the guidance lowest level since August last year. The Whita House welcomed the compete in tournaments and team events throughout Europe and America. Lately, sponsored squads have enabled them to take the postjunior group on extended tours to eke out the meagre £1m that is the entire annual income of the Swedish Tennis Association - a sum that drop in U.S. short-term rates sent depends upon a grant from the cen-bond prices soaring again. At the tral government (approximately bond prices soaring again. At the close, the Treasury long bond was a full point higher at 1031% extend-pinnships in Bastad, from TV and

Tebbit firm on comeback plans BY OUR POLITICAL EDITOR IN LONDON speculation at Westminster that, de-Mr Tebbit, however, left open the pending on his medical condition, Mr Tebbit might become chairman possibility during yesterday's inter-views of moving to Conservative Central Office at a later date when

The present party chairman, Mr

MR NORMAN Tebbit, Britain's

Trade and Industry (DTI) Secretary, said yesterday that be would return to his office early in the new year. He was speaking in his first television interviews since being se-riously injured in the IRA bombing

His aim in the interviews was to signal his return to active political life after five operations and a slow recovery and to knock down recent speculation that he might be moved in an early ministerial reshuffle. Mr Tebbit said be bad "a lot more

of the Conservative Party.

It has been suggested that be might be replaced at the DTI by Mr George Younger, the Scottish Sec-retary, whose job would be taken by Mr Malcom Rifkind, now a Foreign Office Minister of State.

bus services.

John Gummer, would then move to the Foreign Office as Minister for Europe. Such a switch no longer seems imminent in view of Mr Tebbit's de-

sire to stay on at the DTI, which is

the coming year was the regulation strongly backed by Mrs Margaret Thatcher, the Prime Minister. of the City of London and the finan-U.S. quits dairy pricing body

months of tireless negotiating to THE U.S. yesterday fired its first trade, possibly under 5 per cent, its the damage to the world dairy marform his Cabinet following last Jusbot in its struggle to liberalise decision could have a significant ket," the New Zealand Farm Minisby's inconclusive general election. world farm trade markets by with impact on prices because substantry said.

Tileve's recignation from the coalist deswing from the International tial U.S. stocks remain in store. from the Dairy Arrangement (IDA), which fixes minimum prices for milk prod-

> The decision, formally reported to the General Agreement on Tariffs and Trade (Gatt) secretariat in Geneva, follows closely on a declaration from Mr John Block, the U.S. Agriculture Secretary, that the Reagan Administration wants a greater role for market forces in farm

It also demonstrates U.S. anger at an exemption, reluctantly agreed in Gatt, for substantial EEC sales of 18-month-old butter to the Soviet Union at prices well below agreed minima. This allowed the Community to export about 200,000 tonnes and prices.

of butter at an average value of \$850

The stalled talks with Beirut on a tonne, against the \$1,300 IDA

The Panel named no culprits.

comparing its earnings record with that of its hid target, Bath & Port-

property developer John Finlan and

its target Lincroft Kilgour ran into

trouble with the Panel over graphs.

item is misleading."

While the U.S. represents only a small proportion of the world dairy

More than 50 per cent of the world trade in dairy produce is sup-plied by the EEC, with most of the remainder coming from New Zea-A substantial decrease in U.S.

prices could, bowever, force down the level of return achieved by its trading rivals. This in turn could bave serious ramifications for the EEC in increased costs incurred through export subsidies paid to reduce Community surpluses. New Zealand yesterday ex-

pressed its "deep concern" at the U.S. move but reaffirmed its commitment to the IDA. It also intends to urge the U.S. not to depress prices by lowering its charges for butter and skimmed milk.

signals the beginning of a more competitive approach to agricultural trade which is already expected to become markedly more aggressive in 1985 when the U.S. plans to cut supports to farmers' incomes. This is expected to trigger cheaper prices for many products on world Meanwhile, confusion continues

to surround the response of EEC member states to a demand from the European Commission for payment of the "superlevy" on excess It now seems that only the West

farmers, despite a Community requirement that the money should be paid by the weekend. The West Germans, however, say they wili withhold payment from Brussels until other countries comply with

milk production Germans have raised the levy from

"We have no option but to take a pragmatic approach to recent events within the IDA, both to protect our dairy interests and to limit

U.S. rates fall again

Continued from Page 1 yesterday of upward pressure on

domestic interest rates. The decline in short-term U.S. rates was led by a further marked drop in the Fed funds rate, which fell to 7 per cent in early trading despite the intervention of the Fed to drain reserves through overnight matched sales and closed at 8 per cent compared with 7.95 per cent on

Yesterday's statement said: The fall in the Fed funds rate "Some matters are simply unsuitbrought other short-term rates tum-bling. The three-month Treasury of comparisons and in particular able for graphic illustration." Although the Panel itself vets documents before they are sent to bill rate closed 18 basis points lower It will now require a correcting sbareholders, it said it could not al-circular to be issued within two ways stop misleading material beon the day at 7.78 per cent and short-term bank certificate of dedays of its being alerted about a cause often it is only the other side posit (CD) rates fell by as much as misleading statement and may also which has the background informa-25 basis points. censure publicly the originators of hon to know whether a particular

Reflecting the sharp decline in

matching the move initiated by Manufacturers Hanover on Mon-day. The benchmark U.S. bank cor-

banks' move to a lower prime rate. Mr Larry Speakes, White House spokesman, said, "We are pleased with the drop in the prime rate and we hope it will continue as the President predicted it would."
On Wall Street the precipitous

bank funding costs, Bankers Trust ing the gains it made on Mondey | radio fees and product testing.

Beecham buys BAT cosmetics unit

Continued from Page 1 cals side, Mr Ted Bond, finance di-

rector, said. Beecbam's shares fell 2p to 373p yesterday while BAT rose 5p to

The purchase caps Beecham's 20year strategy of expanding into the perfumes and fragrances sector. Starting with the takeover of Margaret Astor, a middle-range cosmetics house, in West Germany in 1964, Beecham now has a business with annual sales of £400m.

The BAC purchase gives Beecham, in the words of Mr Don

North America, and the Middle and Far East

Beecham bas over the past five years taken on the manufacture and distribution of BAC's Yardley brands under licence in the U.S. Mexico and Venezuela. That meant it was one of the first companies BAT approached when it put the cosmetics business on the market

six months ago. BACs difficulties with its Monteil brand in the U.S. explain why Bee-McLure, main board director with cham is paying only £125m for an-responsibility for cosmetics, the nual turnover of £200m. Normally

"critical mass" to market its brands the group would expect the price to in the main markets of Europe, match the sales figure, Mr Bond said. At just £5m, the debt Beecham is assuming is also low. Buying a ready-made business means Beecham can avoid the expensive and time-consuming business of new product launches.

The BAC deal is the first big purchase since Mr Ron Halstead became chairman of Beecham five months ago. It further increases the role of the consumer products division - which already accounts for 72 per cent of Beecham's turnover and 53 per cent of profits - at the expense of the bard-pressed pharma-

THE LEX COLUMN

Moving target for the TSB

be anywhere in the interval from tions, if depositors give them a look autumn 1985 to the following in. The last thing either need fear, spring. However late the TSB after the initial cash injection, is group's actual arrival on the marany kind of rights issue. ket, the banks and their advisers will need all the time they are given to solve an exceedingly complicated set of problems. The tangles arise from the fact that nobody owns the

company that is being sold. Had the TSB been owned by the reasonably simple affair. One obvious way to value the new company worth 27p on the BAT share price, would be on some multiple of its earnings. Yet because the issue proceeds will go straight to work in the for £125m encouraged a further 5p TSB balance sheet, instead of paying off previous shareholders, whating off previous shareholders, whatthat the shares have more than ever multiple was first thought of

Eagle Star was sewn up just under
Even supposing that the extra a year ago. Anyone who had precapital has no more earnings power
in the TSB's hands than its present now be yielding a full point less equity, and should be accorded a similar multiple, the flotation price will have to rise in order to reflect this. That means in turn that a surplus of capital will be sucked into the issue, bowever it is priced. In their nightmares, the TSB's promoters may see this as an endlessly explosive process - with no price being high enough to cool it off.

Fortunately, though, the reaction does settle down eventually. At a given prospective multiple, it should be possible to work out just how much extra capital the issue must raise in order to get the valua-tion numbers right. Thus, on a p/e of about 6 – perhaps a little unambi-tious – the TSB issue would bave to pull in something like £1bn for the after market to avoid the worst ex-

in. The last thing either need fear,

Beecham/BAT

So far as BAT's market rating is concerned, it does not seem to matter whether the company is buying or selling; at present the market Government - or even by its deposi-tors - the sale would have been a of takeovers and disposals. Buying doubled since the acquisition of

than the market would have got a

rather dusty reception. Yesterday's deal is, for all that, of rather more significance to the purchaser, Beecham, Looking for good cash flow activities - preferably with strong brands - to support its bungry pharmaceutical side, Beecham must have been high on BAT's list of possible buyers. If losses in the U.S. part of the business can be stemmed in 1985, perhaps an optimistic assumption in view of the sticky American retailing scene, there could be UK-taxable profits of something near £20m from the newly acquired range. Profitable UK sales of Yardley and Lentheric will help, moreover, to reduce Beecham's £55m ACT backlog. Beecham's marginal rate of corporation tax is only 10 per cent, so the It could be just as much of a pop-ular draw as British Telecom. As a dealt is rather less than it looks.

The hard news of a flotation timetable for the Trustee Savings Banks, was hlurred yesterday hy the fact that the impact day could will make it attractive to the instituing. Down 2p to 373p yesterday, the

Markets :

Yesterday's public borrowing figures would have left Mr Micawber looking very miserable indeed. The latest money supply figures had led the markets to expect a large gap between income and expenditure in November, but the provisional PSBR figure of £1.84bn was no less dismal for that

There is - as the Treasury still in-sists - a chance that the cumulative total can be clawed back to the targeted 68.5bn by the end of the fi-nancial year. Neither Telecom nor the VAT on imports has yet contrib-uted to published revenues, while the Treasury can count un whopping corporation tax receipts early in 1985. But vesterday's figures did nothing to dispel the impression that expenditure is running at too high a level and that sizeable tax sions in the next budget would have to be predicated on fair-ly optimistic oil revenue assump-

And forecasting oil revenues is rather an inexact science just at present. It was principally concern about oil prices which sent sterling tumbling to new lows against the dollar yesterday, and only a steady stream of good news from the U.S. prevented gilt-edged from following the currency down. If today's U.S. GNP figure bears out the impression of yesterday's personal income New York bond market could end up celebrating a very merry Christ-

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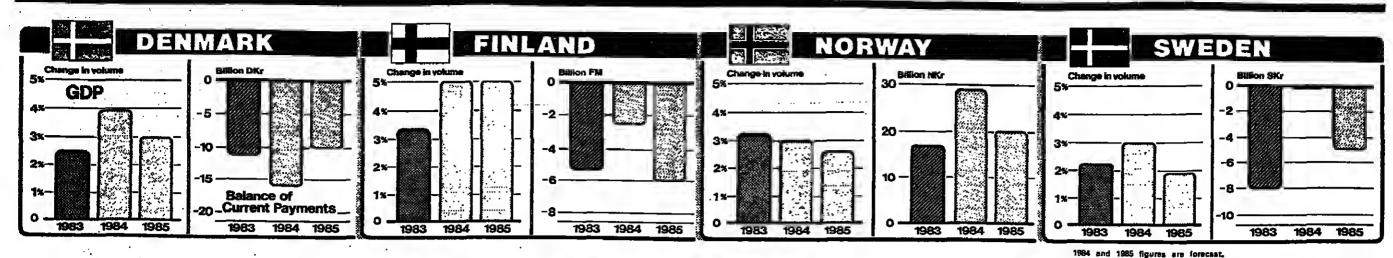
★ Cash flow positive

	Unaudited half year 26.10.84	Unaudited half year 30.10.64	Audited year to 29,4,64
Turnover	£m 354.2	£m 348.0	
Operating Profit	41.5	35.3	E Z
Pre-Tax Profit	37.3	31.6	
Dividend per share	1.90p	1.73p	
Earnings per share	8.7p	7.7p	

Business Activities:

Scottish & Newcastle Breweries, a major Scottish based company, is active in brewing and distribution of beer, ownership of public houses and hotels, wholesaling of wines and spirits and the distilling and blending of Scotch Whisky.

For a copy of the full Interim Report, please contact; The Secretary, Scottien & Newcastle Braweries pic, Abbey Brewery, Holyrood Road, Edinburgh EHS SYS. Telephone: 031-555 2591.



FOR TWO years the Nordic mic policy-making in both economies have staged a strong countries for many years to recovery. Growth in Sweden, come. Both countries face Finland, Denmark and Norway aevere problems in reducing the has clearly outpaced the rest of Europe and the region has made Europe and the region has made up in recent years, although significant steps towards attaining a better economic balance. a temporary respite has been

Sec.

The open Nordic economies, reached which depend on exports for between a third (Finland and Sweden) and half (Norway) of ments. Sweden) and half (Norway) or their gross national product have benefited greatly from the activity in the region and a renpurn in world trade and have won back significant sbares of after the setbacks of the late 1970s and early 1980s, have been reflected too in the new-found

is expected to reach as much as 3.5 per cent this year following an expansion of 2.7 per cent in 1983, while average growth in Europe is likely to be lagging behind at 2.1-2.3 per cent

the Scandinavian countries' in-

ternational competitiveness.

The benefits gained by Sweden's dramatic devaluations of 10 per cent in 1981 and 16 per cent in 1982 are being successfully eroded, and Norway in spite of the unrivalled strength of its current account, has carried out two small disguised devaluations this year to try to avoid a deterioration of its mainland industries' ability to compete on foreign markets.
Since July of this year the
value of the Norweglan krone
has decreased by some 4.5 per

In spite of the progress made in 1983 and 1984 both Denmark and Sweden are still burdened appear certain to plague econo- an efficient means of achieving used only pending action to carry

mountain of foreign debt run reached with a return to balance this year on the current account of the balance of pay-

reflected too in the new-found vigonr of Nordic financial mar-

In the case of Sweden in particular, the liberalisation of the markets and the creation of a well-functioning money market cent.

Problems remain. Inflation have owed much to the presures created by the need to finance the state deficit while above levels in competing keeping the inflationary important of state borrowing needs costs are a constant threat to to eminimum.

Earlier most of the financing of the budget deficit in Sweden had taken place through the banks, insurance companies and pension funds, which had to purchase fixed-rate, long-term Government bonds or borrow from the central bank. Sweden's Finance Kjell-Olof Peldt, Social Democratic Minister, admits that "this led to the credit markets growing more and more regulated and less and less efficient."

Concern over the rapid growth in the money stoply and the resulting surge in inflation meant the Government was keen to find ways of financing the budget outside the banking system,

by large central government Nordic monetary authorities "In principle it has been deficits and the resulting structural problems which result enchanted with regulation as regulation should be avoided or

Nordic Banki

A surge of economic activity and a rediscovered sense of confidence have led to a new-found vigour in Nordic financial markets

Strides towards better economic balance

By Kevin Done, Nordic Correspondent in Stockholm

sophisticated world financial markets, they have realised tho limitations on their independence of action.

For many years the policy bad been to keep interest rates lower than market levels. The effects on lending growth were supposed to be curbed with the

belp of direct regulation, As Norges Bank, the Nor-wegian central bank, admits in its latest quarterly report, bow-ever, "the finance markets have ties for circumvention therefore

the aims of monetary policy, rectify the underlying circum-rates, and in more turbulent and stances which have produced the Th excess demand for credit From tatively abolishing the obli-this year the authorities have gation for the banks to invest opted to gradually reduce the use of direct regulation." With tight money policies aimed at curbing inflation, interest rate levels are high through the

As a further element in the programme of financial wheel of deregulation liberalisation, the Norwegian set firmly in motion. Government has recently announced that it is to encourage the introduction of a market gradually become increasingly for bank certificates as well as developed, and the opportuni- a market for commercial paper. At the same time the state will operate with Treasury bills sold at market rates, thus re-

The Government is also ten-The in Government and other priority bonds.

There is still some way to go and there have been several examples of the monetary authorities taking two steps forward and one back, but the wheel of deregulation has been

In other respects too the Nordic region has been retreating from its earlier financial isolation. Next year — in the case of Norway — and in 1986 — in the case of Sweden — foreign banks will finally be allowed to established local operations. Entry for foreign banks was ceded by Denmark in the midducing the state's needs to raise Entry for foreign banks was money through bonds which ceded by Denmark in the mid-carry administered interest 1970s and the first foreign

banks opened their doors in Finland in 1982.

> strength of the Nordic econo-mies has been reflected too in several spectacular events recently in the international capital markets, where Nordic borrowers have long been courted assidoously.

> In one recent transaction where Sweden raised \$200m through the sale of short-term money market notes at auction it gained terms better even than the rate at which the banks themselves seek to raise deposits in the money markets.
>
> Finland has demonstrated its experience.

its confidence in its own eceno-mic outlook by cancelling all the stand-by credits on the books of its central bank which have been used to protect the flows.

Its foreign exchange reserves have quadrupled over the last panies and financial institutions, year. According to Mr Matti Prospects for 1985 in the Vanhalla, a director of the Finnormsh central bank, "With our promising, although growth is reserve and balance of payments situation in general as well as the stable monetary outlook, we feel that this sort of buffer is no longer needed."

Denmark, meanwhile, has followed the example set by Sweden and is busily refioancing its debts at a lower cost. With its cash reserves growing — among several factors the private sector has increased its borrowing — the kingdom is for the moment no longer a large net borrower. This year gross borrowings have been about \$3bn, of which some \$2bn went to refinance debt at lower cost. Denmark, whose DKr 106bn of foreign debt once appeared to be growing inexorably can currently pick and choose in any market.

Norway, buoyed up by its growing output of oil and gas from the North Sea, is rapidly huilding itself a very special position in the Nordic financial scene. With a current account surplus, rapidly approaching a facing level equivalent to 6 per cent year. of GNP and the strongest foreign exchange reserves foreign exchange reserves position of any industrialised country (measured in relation to import cover), it is on the verge of becoming a substan-tial capital exporter.

Norwegian krone is growing, and a couple of weeks ago the Government was forced to ban per cent, while Denmark prothe sale of domestic bonds to foreign investors in an attempt to stem unwanted capital in-

country against fluctuations in many of its foreign exchange its reserves and balance of payis increasing efforts to encourage the internationalisation of companies and financial institutions.

not expected to repeat the levels of 1984. In a recent published study four of the region's lead-ing banks, Svenska Handelsbankeo, Copenhagen Handels-bank, Kansollis-Osake-Pankki and Den Norske Creditbank, foresee an expansion in the Nordic countries' gross domestic product of 2.8 per cent in 1985 compared with 3.7 per cent in 1984 and 2.7 per cent in 1983.

For Scandinavia as a whole 1984-85 must be considered as years of high economic activity in line with the years of 1978 and 1979. The increased activity means that several ex-port sectors are operating close to full capacity, and higher production means that there has been some reduction in the number of people out of work.

The picture varies widely

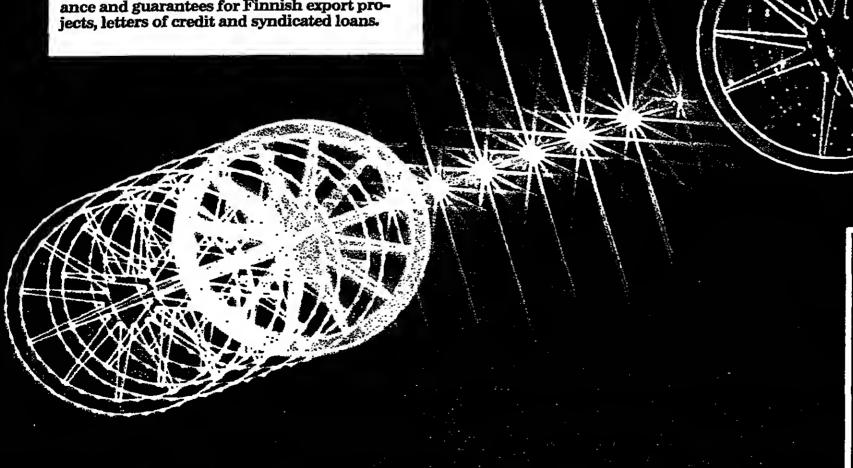
across the region, but unemployment is still seen es one of the foremost economic prob-lems, particularly in Sweden and Norway, which are both facing general elections next

Sweden and Norway pour considerable funds into comprehensive job creation programmes and bave been able by this means to keep at least the official unemployment figures as al capital exporter. low as 3.1 and 4 per cent of International demand for the workforce,

Banking for the future Finland

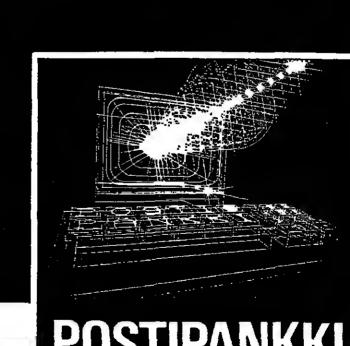
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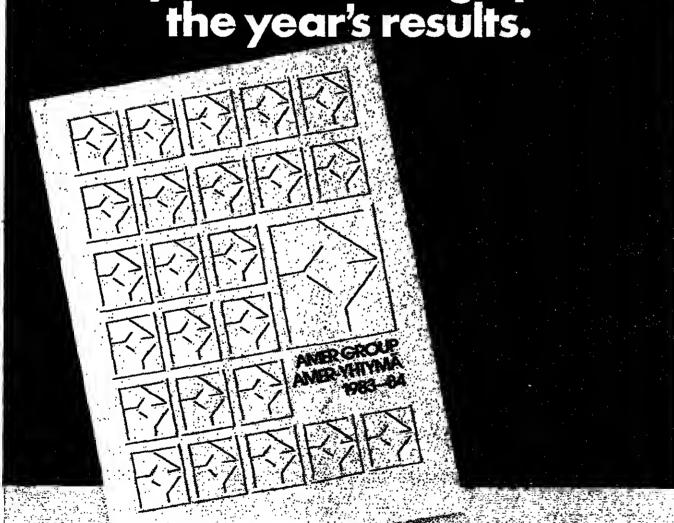
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Nordic Banking and Finance 2

Wage blow to the economy

bard hit.

Iceland KEYIN DONE

ICELAND'S bold attempt to curb its obronic inflation problems has been thrown sharply off course. A series of inflationary wage settlements pushed through after a four-week public sector strike in October have raised fears that the island is heading back into the vicious circle of devaluations, surging prices and inflationary wage deels that marked the island's economy for much of the 1970s and early 1980s.

and early 1980s.

The pattern was broken in
May 1983 when the new CentreRight coalition Government
introduced an ambitious package of austerity measures aimed at restoring stability to the hard-pressed economy, which was plagued by inflation rales that for short periods had exceded 160 per cent.

ceded 160 per cent.

Wage indexation was abandoned at a stroke, existing wage settlements were extended for several months, end low nominal wage increases were imposed during 1983 and the first half of 1984.

The currency was devalued by

The currency was devalued by 14.6 per cent, but the Govern-ment then made a commitment policy and steps were taken to deregulate financial markets. Most interest rate controls were to its international competitive-finally swept away in August ness deelt by the big jump in

successful in hreaking the inflationary spiral. In the space of ately to depreciate by the 5 per 18 months inflation was cut to an annual rate of less than 25 per cent. Inevitably the Government's response was to allow the krone immediation at the space of ately to depreciate by the 5 per cent allowed under the terms of its currency basket, but pressures quickly built up for ermilled centain provides. ernment's tough policies also implied certain sacrifices — at least in the sbort-term—in the form of lower living standards, officially by a further 12 per and this autumn cent. The Government is

Icelanders' patience with the experiment finally snapped.

The Government's antiinflation fight has coincided with a prolonged deep recession in the Icelandic economy, which has seen gross national product fall by 10 per cent in three years. Icelanders' living years. standards have fallen by 17-18

per cent in the space of just two years, and public sector

workers have been particularly

State and local authority employees claimed that the purchasing power of their wages had plummetted by around 25 per cent in two years. They insisted on a renegotiation of their wage contracts, and when the Government stubbornly refused to give way to their claims for increases of around 30 per cent, they began a strike at the beginning of October.

Four weeks later, with the island's foreign trade at a virtual standstill and with sectors of industry starved of raw materials warning of large-scale lay-offs, the Government gave way and agreed to wage settle-ments giving rises in the region of 25 per cent over the 14 months to the end of Decem-

ber.
The repercussions of the wage The repercussions of the wage settlement have come quickly. With an uncomfortably high deficit on the current account of the balance of payments equivalent to around 5 per cent of Gross National Product, Iceland could ill afford the blow to its interestical expression. labour costs.
The Government's response

iceland economy

	·	•	1982		Change 1987	
Gross National Product		٠.	-1.5		-5.5	1.2
Fisheries export production			-14.5		-6.8	. 5.0
Real disposable household income		::	2.1	- 2	-19.8	-4.1
Cost of living	1:		51.0		84.2	29.5
Balance of goods and sorvices as 9 of GNP	6	·	10.0		-24	-5.2

Unemployment as % of total labour force 0.7 1.01

* Provisional. † September forecast

expected to try to keep fluctuations next year within a band of plus/minus 5 per cent. It believes that despite the unfavourable wage settlements the bottom of the economic re-

cession has been reached. It

expects a small rise of close to.

1 per cent in Gross National
Product next year, helped by
some rise in fish catches. The prospects for inflation have clearly darkened, however, and instead of an average increase of 13-15 per cent in 1985 compared with 1984 the Government has eccepted in its revised

budget that an increase of at least 26-28 per cent is likely.

"This is a setback, but it is not something that cannot be overcome," said one senior official in the Finance Ministry.

The Government has not tried to take back the wage increases through higher taxes, but they will rapidly be eaten up by the devaluation and consequent rises in inflation.

The wage contracts recently agreed are supposed to run to the end of 1985. The trade unions can demand a renegotia-

tion during the summer, how-ever, if the purchasing power of wages falls too drastically.

It is not until the next wage round is completed that it will become clear whether lecland's new bout of inflation is only a temporary setback on the road to a more balanced economy, or whether the fires of inflation have been stoked to a point where drastic Government intervention is again needed.

Identity of the purchasing power of any part of the purchasing interest rates and three strates are the same of the permanently removed from the political agenda, however, and if interest rates surge on the waye of sharply rising inflationary expectations, calls for

The four-week public sector strike has alreedy shown that there is a limit to the Govern-

ment's resolve to stick to its chosen course and the leaders of the coalition will have to work hard if they are to build a new consensus behind their economic strategy before the next wage round.

The problems of this autumn should not obscure the fact, however, that the authorities on however, that the authorities on Iceland have made significant progress not only in managing the economy, but also in deregulating the island's financial markets. For more than two decades the monetary authorities regulated interest rates on all deposits and loans. That system has been crumbling gradually since 1978, but the dig transition from regulated low interest rates and attempted credit rationing to a system where interest rates are not only positive, but very high

system where interest rates are not only positive, but very high even on an international scale, came earlier this year.

In August the deposit money banks were allowed to decide all interest rates, other than those on general savings accounts—which were raised to 17 per cent by the central bank—and rates on rediscountable produce loans and penalty rates.

By late antumn interest rates on common loans were in the

tionary expectations, calls for Government intervention will

More restrictive credit policy

Sweden KEYIN DONE

AFTER enjoying record profits in 1983 helped by falling in-terest rates Swedish banks have been brought back to earth this been brought back to earm unsyear as the financial authorities have pursued restrictive policies elmed at holding back domestic credit demand and redining inflation.

State's stake has been requested to just under 85 per cent end further shares sales to the public have not been ruled out.

One of the chief reasons the primarken share sale was

the costs for funding fluctuate Money market rates started rise in the second half of May this year and et the end of June the official discount rate was raised by one percentage point to 9.5 per cent. At the same time the penalty rate for borrowing by the banks from the Riksbank, the Swedisb central bank, was raised by two percent-age points to 13.5 per cent.

The moves bit hard into the banks' net interest earnings with Skandineviska Enskilda Banken, the leading Swedish bank, reporting a fall in net interest earnings, for example, of SKr 50m (\$6.2m) per month in July and August

The earnings of PKbanken,

Without any further change in interest rates S-E Banken forecast last month that its operating profits would be about the same or slightly lower than in 1983.

the stock market with a new sbare issue to private investors.

The earnings of the Swedish banks are strongly affected by the domestic interest rate level. The banks have earlier been forced to place a considerable share of their assets in bonds,

that the Swedish financial authorities are forced to follow restrictive credit policies. Lower Swedish interest rates will only be possible as a response to a general fall world rates led by the U.S.

eccepted development economic Sweden had taken "e turn for the better in several respects. ment's budget deficit had been broken and the deficit on current account has been more or less elimineted."

the country's third largest com-mercial bank, bave been even lerge deficits on both the

Sweden's restrictive monetary policy and the bank expects a decline of around 10 per cent in operating profits for 1984. Earlier this year PKbanken, formerly wholly owned by the state, fulfilled a long-expressed desire to launch its sbares on the stock market with a roam of the interactions in the state of the development of the interactions interaction. decline of around 10 per cent in operating profits for 1984. Earlier this year PKbanken, formerly wholly owned by the state, fulfilled a long-expressed desire to launch its sbares on

state budget deficit continues to be a major influence on developments in Sweden's fin-At the same time it is the budget deficit that also ensures

A recent report from the Riksbank eccepted tha

central bank stressed that "this does not mean that the fundamental conditions for interest policy have changed." The Riksbank maintains that

Government budget and the

of the international interest level."

A major factor behind the development of currency flows is Sweden's relative interest level, and the Riksbank justified the last jump in interest rates during the summer on the grounds of the sizeable flow of currency out of the country which followed the rise in inter-The bank edmitted, however,

also dovetailed well with the general direction of Government appreciably and "warranted a tighter monetary policy. This must belp to subdue incipient inflationary tendencies and create conditions for a further current account."

Fears of too sharp a rise in domestic consumption next year which would both fuel inflation and draw in more imports thus worsening the account, also current behind the recent package of tax increases imposed by the Government.

A number of specific pur-—mainly from the beginning of December—on items ranging alcobol, tobacco and foreign charter travel.

The Riksbank appears determined to use its influence to counter any moves by the Government to loosen its grip.

reinforcement of the balance on the current eccount and a reduction of the Government deficit," it says in its latest quarterly report. "Increased Government

borrowing as a substitute for a tighter interest policy would not ecknowledge the continued existence of fundamental imbalances. It is not until a balanced position has been consolidated that there is greater scope for a more independent interest policy."

The strain emanating from the state budget deficit has also been a pressure for reform in the Swedish financial markets. With a turnabout monetary policy in 198 Government began to move

The first new ground towards the creation of a functioning money market was broken in 1980 when the banks introduced certificates of deposit, but the pace began to quicken in 1982 with the Januich by the state of

with the launch by the state of Treasury bills. At the end of 1962 the banks began to establish a market for commercial paper, and last year the Government launched Riksobkleationer, market rate state bonds to tap the liquidity

of the corporate sector at the long end of the market.

The credit market has been revitalised by the new debt instruments that have been introduced, but it has also been encouraged by a number of other deregulation measures.

Bank liquidity requirements have been abolished, bond issue controls have been made less rigorous and bank interest controls have been replaced by

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PERSONAL SAVINGS IN NORWAY

Norway FAY GJESTER

THIS YEAR has seen a number of significant moves by Norway's Centre Right Coalition Government towards a freer credit market. Many of the coursels which have shackled the country's banks and credit institu-tions since World War Two have been lifted, or earmarked for

on January 1, direct regula-tion of bank lending, reimposed in summer 1983, was once again revoked — although primary reserve requirements wera raised, from the same date, by one percentage point to 5 per cent, in the hope of discourag-ing a lending surge. Simultaneously, the bond

investment obligation applying to banks and insurance companies was eased. This had required both groups to invest a large share of any increase in their assets in bonds In January It was cut from 15 per cent to zero for the banks and from 40 per cent to 30 per cent

Although the marginal re-quirement was dropped, in the banks' case, they still bad to maintain bond holdings at the end-1983 level. A further relaxation of the rules, from January 1, 1985, will abolish this obligation completely, for the banks, while the insurance companies' marginal require-ment will be lowered from

30 per cent to zero. Another step in the right direction was the abolition, from June 30, of regulations limiting the extent to which fluance institutions could guarantee so-called "grey

raised on the unregulated credit way should place part of its vast market. These rules had been foreign exchange reserves with grey market loans which fol-lowed tha imposition of direct petitive terms.

The national budget for 1985,

The national budget for 1985, introduced to curb the boom in controls on bank lending. When the latter were lifted, the grey market's share of consumer borrowing immediately began to decline, and the guarantee restrictions were no longer

Direct control of factoring and leasing loans by finance companies was also abolished from mid-year, and replaced by ethough other kinds of loans by these companies continue to by these companies continue to be directly regulated. Their loan totals—excluding factoring and leasing—must not expand during 1984, by over 8 per cent. From January 1, 1985, "framework guidelines" almed at reguleting bond issues by credit institutions, on behalf of business and industry, will also be abolished.

Banks and insurance companies are not allowed to issue bonds, but moves are afoot to permit banks and finance compermit banks and finance com-panies to issue short-term negotiable paper (deposit certificates), and an attempt will be made to establish a market for such paper issued by well-established companies. The finance ministry is also considering the possibility of offering treasury bills at market

After representations by the Norwegian Commercial Banks' Association, the Government agreed—a couple of years ago to let the banks make kroner loans to the oil sector. This arrangement is now being ex-tended to other foreign customers, although subject to a celling for 1985.

institutions could The Association also appears so-called "grey to be winning acceptance for its loans—that is, loans argument that the Bank of Nor-

Norwegian banks, provided that

tabled early in October, foresaw a gradual liberalisation, next year, of private sector capital exports. It said that Norwegian companies with foreign currency income would be allowed greater freedom to spend this money abroad. Moreover, Nor-wegian-based companies, and individuals resident in Norway, would be allowed to buy foreign bonds—up to a certain limit. This was meant to match the freedom which foreigners hava bad, until recently, to buy Nor-weglan bonds—up to a limit of NKr 1m (\$129,000) per indivi-dual investor.

Norway was recently forced to bar foreign purchases of Norwegian bonds, bowever, because of a worryingly large inflow of capital under just this heading. Between October 1 and November 15 foreigners bought soma NKr 3bn worth of Norwegian bonds. They were attracted by tha stable krone and tha relatively high interest rates prevailing in Norway.

Payments surplus The Bank of Norway pointed

out that Norway with e substantial payments surplus because of its North Sea oil and did not need all this foreign cash.

While much progress has been made in liberalising the to go yet. Banks and life insurance companies, for instance, may not charge what the market will bear on their keep their average interest rates within limits announced periodically by the Minister of Finance.

rate gaclaration," on June 26, specified an average rate of 12.6 per cent per annum for shortterm and 12 per cent for long-term loans. This compared with tha 12.5 to 13 per cent, which the Bank of Norway was then charging, for sbort-term funds— since raised to 13-13.5 per cent.

The Government's regulation of bank and life insurance company interest rates keeps the cost of borrowing from these institutions artificially low. At the same time Norway's tax system-which makes all debt on interest deductible-also encourages borrowing.

With these two powerful sti-muli to loan demand in operation, the banks are ex-pected to keep their total lend-ing within guidelines set twice yearly by the Government—in the national bodget, tabled in October and in the revised national budget, which comes some seven months later.

The virtual impossibility of complying with official lending ceilings is demonstrated by the fact that the Government has so often had to resort to direct regulation of bank

When direct regulation is profitability rate — profits, in abolished, as it was in January relation to total assets—equalthis year, lending volumes soar, ling, or only slightly lower than, In the first 10 months of this the excellent results which most year the increase in lending by of them achieved last year.

The minister's last "interest the commercial and savings banks totadled NKr 26.4bn some NKr 5.9bn more than the guidelines allowed.

> The increase bas occurred despite Government steps to discourage it. Minimum reserve requirements for South Norwegian banks bave been raised three times this year most recently on August 31, from 7 to 10 per cent—while the Bank of Norway has increased its charges for short-term funds, in order to make bank borrowing mora costly.

The net effect of these developments has been to squeeze the banks' interest margins. This was reflected in most of their eight month reports, published in October. Fortunately, however, the trend has been largely offset by an improvement in profits on other activities — particularly share trading, reflecting Norway's stock market boom, and cur-rency dealing. Labour costs have risen less than in previous years, following the relatively moderate wage settle-

ment reached last spring. On the whole, therefore, Norvegian banks can expect a 1984

Interest rates exposed to economic forces

THE past twelve months may well be remembered as the year in which the swaddling clothes were finally removed from the Finnish infant money market and it was eventualy exposed to the strange perils of more

The result has been some lusty hawling, but the prognosis seems to be satisfactory. It is perhaps unfortunate that 1984 was not a "normal" year, due to a concomitance of circum-

Paradoxically, the surge in confidence in the strength of the Finnmark earlier this year, which was a desired aim of the Bank of Finland's monetary policy led to a flood of short-term capital imports as Fin-land's Western exports rose sharply.

This was not the object of the exercise. The Central Bank was keeping money tight at home to contain inflationary pressures during the current economic upswing, indeed mini boom of sorts.

The bulk of the new money inflow was placed in the un-regulated financial market where interest rates were around 16-17 per cent. Com-panies and other corporate bodies made a quick killing by placing their surplus short-term liquidity in the banks' finance

companies.

Early in September, the Bank of Finland decided to revise its two main instruments of monetary control, the casb reserve deposit system and the regulation of average lending

The base for calculating the reserve that deposit-taking bank must place in the Bank of Finland had been the Finnmark deposits from the public at regulated (also called adminis-trative) rates plus half tha deposits denominated in foreign currency. The base has now been broadened to take in all

Finland LANCE KEYWORTH

foreign currency deposits, unregulated money deposits, and from January 1 1985 deposits from companies which, with Bank of Finland's approval, finance their export receivables or imports through loans raised in their own names from foreign financial institutions,

As the cash reserve require ment was kept at 5.6 per cent (upper limit 8 per cent), the base was broadened by about 30 per cent, according to the June figures, which increased the maximum deposit regulrement from FM 9.2bn (\$1.59bn)

to FM 12.2bn.
The immediate increase for the banks was about FM 2bn and this is being collected progressively in October-December. Simultaneously, the Bank eased its regulation of everage lending rates. In practical terms, this meant that if s bank's average deposit rate rises by one percentage point, it may raise its average lending rate

by 0.3 points.

This applies to funds included in the bank's balance sheet, not the unregulated funds channelled through its finance com-

pany. The joint delegation of the banks met towards the end of October and decided to modify their old cartel egreement of deposit rates, not to abolish it as had been expected earlier. From May 1, 1985, interest rates on cheque, one to five month deposit and Postgiro accounts will be freed from the inter-bank agreement. newer agreement on unregu-

deposit rates will end with the current year. This left in force the agreement on all other untaxed deposits, provided that their tax-

free status is renewed by law for a further four years until the end of 1989.

The Bank of Finland's convertible currency reserve stood at about FM 18bn at the end of October, four times the total e year earlier. Possibly at least as much again has been blocked by strong central bank intervention during the year in the Forex market. Tha its standby credit arrangement and cancelled it. But it kept its call money market rate high,

over 15 per cent.
As the call money rate has come to be used as a sorr of reference by the banks for the unregulated money rate, the latter has been bovering around

15 per cent.
These rates compare with the Bank of Finland's basc rate, 9.5 per cent, the financial insti-tutions' 8 per cent on 12-month deposits, and average lending rate of 10.5 per cent on ad-

vances at regulated rates. Thus, the liberalisation of short-term money rates has produced lending rates which companies now consider are too expensive for the start of urgently needed new investments. But the central bank, with the inflationsry scars of similar though smaller-scale situatious of the recent past es a reminder, still refuses to be pressured into pre-

cipitate action. The priority is containing in-flation, which is down to about 7 per cent this year, and the aim is 6 per cent in 1985.

Finnish bankers wanted to open interest rates to market forces. Now they have seen what can bappen. But the growth of Western exports is expected to slow considerably flow of short-term funds can be reversed as long as they are locked up in the financial mar-ket and not placed in fixed in-

Barriers come under attack

Denmark

HILARY BARNES

THE MOST intriguing development on the Danish financial scene was not a banking mova

other than insurance business, the holding company is not so restricted. Hatnia has not yet case of sudden disability published its plans for the holding company but it is no secret that Hafnia's managing director, P. Villum Hensen, has long-term visions of the establong-term visions of the estab-lishment of so-called financial 1984 than a sign of a lowering supermarkets, to which cus- of the barriers between the supermarkets, to which cus-of the tomers can go to comment sectors. banking, insurance and mort-

gage business.

There is a fairly rigid compartmentalisation between these three forms of financial business and Hafnia wants to break the barriers down. However, there is considerable resistance to Hafnia's ideas. resistance to Harma's ideas.

The national bank (Central Bank) has expressed its satisfaction with the present situation, e signal which has not

stand-offish in their attitude too.
Mr Tage Andersen, chairman of
the Banker's Association and
general manager of Danske
Bank, said that the current

Bank, said that the current division of labour among the financial sectors works well.

"The division has produced a suitable degree of specialisation. There is expertise in the different areas at a satisfactory high level. If everyone trades in everything, the expertise may be spread too thinly," he said. Ha suggested that financial

opping centres might be a better concept than financial supermarkets, where the best possible expertise can be sought oot, but each maintaining its

Whatever the future bolds for the more ambitious plans for bringing together banking, insurance and mortgage credit business under one roof, if not try's largest insurance company, into a single office, the past year Hafnia, to invite shareholders has seen a spate of new proto place their shares in a newly duets launched in co-operation established holding company.

The significance of this move panies and the banks or mortisations that while insurance companies and the banks or mortisations are constant.

linked to mortgages, and similar products—are probably more a result of the competitive situa-

Rapid decline

Large profits were made in the financial sector in 1983. They were generated by a rapid decline in yields and e rise in prices, in the bond market between the Autumn of 1982 and the Spring of 1983, when yields fell from around 22 per yields fell from around 22 per cent to under 13 per cent.

These movements generated very large capital gains. As the banks report tha change in portfolio values between the end of each year as a profit or loss in their accounts, bank profits were formidable.

With a similar effect in the insurance and mortgage businesses, there was a lot of scope for the expansion of financial services in 1984 and fierce competition for market shares.

petition for market shares. In 1984, interest rates have risen again slightly, which means that there will be little or no gain in portfolio values (unless bond prices rise significantly between now and the end

of the year) in the banks' reports for the 12 months. There may even be banks which find

figure in red.

The banks' interim reports, however, indicated that they have succeeded in improving ecialist features. their operating profits quite considerably this year, mainly because the demand for credit was far stronger than in 1983. The heavy provisions for losses, which the banks have made for the past three or four years, will be substantially lower this year, also helping to prevent results from deteriorating too

sharply.

Prospects for 1985 point to e less exuberant period for the secondary and therefore also for the banks. The Central Bank has this antumn tightened its monetary stance. monetary stance, placing restrictions on bank lending, which will be permitted to increase by about 15 per cent this year, but will fall to an annual rate of about 10 per cent this winter; in the first half of this year bank lending expanded by 18 per cent (over 12 months)

months). The economy has grown fast, The economy has grown fast, with GDP probably increasing by 4 per cent or more. Industrial investment, in real terms is expected to increase by 25-30 per cent, an unprecedented boom. But most economists expect that the recovery will level out.

Crucial for the development of the economy in 1985 will be

Crucial for the development of the economy in 1985 will be the spring collective wage negotiations. The present non-Socialist Government bas succeeded in bringing wage inflation down from about 10 per cent a year to 4 to 5 per cent and it is boping for wage settlements in the spring which will bring the rate of wage increases in 1985-86 down to only 2 per cent. This, however, may be more than the unions are prepared to go along unions are prepared to go along

Correspondent Banking with Sweden



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Nordic Banking and Finance 4

Shake-up of overseas debt management

Foreign Borrowing

PETER MONTAGNON

AN IMPROVED balance of payments outlook coupled with favourable borrowing conditions in world capital markets has allowed Nordic countries to embark on a radically new strategy of foreign debt management this year.

The region's two largest

borrowers, Sweden and Denmark, have both begun to con-centrate on restructuring their foreign debt to reduce interest charges, while Finland recently announced that its central bank is to cancel \$1.5bn in standby credits from international

The credits are no longer needed after a quadrupling of

the country's reserved during the past year. Norway which bas not been an active borrower for several years, now bas to focus its attention on warding off unwarranted capital inflows. Taken together these develop-ments bave provided a major beadache for the international

region to provide meh pickings in the form of lucrative credit a year. and bond business.

Now, at best, the returns on the borrowers. At worst the prospects of gaining new business have evaporated altogether as, for example, Finland withdraws from the market.

A stark measure of the way in which market conditions have changed over the past year came in November with Sweden's surprise announcement that it was cancelling a \$1.2bn floating rate note arranged as recently as January 1983

Thought too high The National Debt Office in Slockholm simply regards the interest rate (a a per cent margin over the London Interbank

Offered Rate for enrodollars) as too high. Other borrowing operations suggest that Sweden could now borrow at or even below this rate and though the elimination of the 4 per cent margin might seem trivial it adds up to a lot of money when the country's

banking community which total debt volume is considered. Like Sweden, Denmark has ments trends or I could once count on the Nordic r or the cancelled notice ine found itself in a particularly conditions generally. margin alone cost Sweden \$5m strong position as its balance of

10 replace the floating rate improved, note Sweden subsequently ansuch busines, are dropping as nounced a 5700m issue to be market conditions tift towards sold by tender. The notes pear interest at the London interbank Bld Rate for Eurodoilar oeposits which is normally a tional Offered Rate.

This means that Sweden is now able to borrow in international markets at or near the rates at which many of the banks that traditionally lend to the country raise runds for themselves.

For banks, the hope is that

some money can be made by trading the floating rate paper in the market, as oure lending margins have been whittled away to almost zero. But for Sweden it obviously makes sense to profit from this new situation

in the market and reduce costs.

This year it has made a concerted effort to refinance virtually all its floating rate foreign debt to reduce costs and stretch out maturities. A aimilar process bas been under way in Deumark which has refinanced about \$2bn in loans at much

payments and reserves have

In the first 10 months of the year the cash reserves of the central bank and commercial banks rose from DKr 37bn to DKr 40bn. This means that the country's gross borowing needs (apart from refinancings) have shrunk to only about \$1bn a year, and next year net borrow-ing needs could be as low as about \$300m.

Attractive offer

This puts Denmark m a position to pick and choose. As it believes that market couditions are unlikely to harden again for borrowers, its policy now is to walt until it receives a really attractive offer. This was one reason behind its decision to prepay a \$250m ioan last month instead of trying to refinance it on cheaper terms. Both Denmark and Sweden

have, however, stuck to their policy of maintaining stocks of available credit that can be drawn on in times of need. This lessens their vulnerability to a sudden deterioration in either their balance of pay-

Finland, by contrast, has gone a step further. It is now so confident of its improved decided to cancel \$1.5bn in

standby credit lines altogether. standby credit lines altogether.
Indeed, Finland'a tight
monetary policy is encouraging
a spontaneous inflow of funds
and the last thing the Government feels it needs is an
additional inflow through
borrowing which would undermine domestic monetary policy.
Likewise, Norway's problem
is increasingly that of warding

is increasingly that of warding off unwanted inflows. It recently banned purchas domestic bonds by foreigners and is looking at ways of expanding international credit and bond lending in Norwegian currency.

Apart from occasional forays into the bond market by the City of Oslo and some oil financings, Nnrway has long-ceased to be an

active borrower abroad.

This only leaves Iceland, whose needs are very small anyway. In April it raised a \$90m 10 year credit on respectably fine margins of a personal anyway. per cent over Eurodollar for six years rising to 1 per cent

am

Working at becoming an exporter of currency

the Norwegian krone becoming a Eurocurrency with flows back and fore, but it is probably unavoidable if we are becoming a capital exporter, says Mr Lief Eide, assistant director for credit policy at Norges Bank,

Foreign investors bave woken up this year to the attractions of the Norwegian currency and went on a apree buying up Norwegian domestic bonds during the autumn. The attention was not at all welcome to the Norweglan financial authorities, who are currently preoccupied with plans for transforming Norway imo a capital exporter. Fears that the sudden flow of capital imports would loosen their grip on domestic credit

In the months up to the ban foreigners had bought an esti-mated NKr 4.5bn (\$515m-644m)

of domestic bonds compared with purchases of NKr 100m in the whole of 1983. The prospects for the Norwegian currency have been transformed by the growing wealth flowing from the North

Sea oil and gas wells, which is turning the country into an appreciable capital exporter. investors have been attracted by what appears to be a rela-tively stable currency backed by North Sea oil coupled with interest rates which appear high compared with most contitnental European countries.

Before the ban investors were nominally restricted to purchases of NKr 1m per investor, but this ceiling appears to bave proved little hindrance.

Since the market for domestic bands—with a maturity of Since the market for domestic bonds—with a maturity of five years they were paying a little over 12 per cent—has been closed to foreign investors, interest has inevitably strengthened in the small and exclusive Norwegian knower Eurobond market, where bor-rowers have been able to find

capital at well below domestic Norwegian rates. Norsk Data, the Norwegian computer company and tha latest borrower to come to this market was able to insist on an improvement in the terms of its issue at the last minute, assisted by the ban on domestic bond sales. With a coupon of 103 and issued at par plus a quarter

well below domestic rates of close to 13 per cent. Inevitably a two-fier market ls growing up with much lower interest rates for Eurokroner issues. The Norwegian authorisies are trying to control the market carefully to ensure that it is not flooded with new issues and maintains an unofficial

the Norsk Data bond has traded

The market began as long ago as December 1979 with an issue and for several years developed only spasmodically with issues

Profile: Skandia

ever, interest has been picking up among both investors and borrowers with issues by new borrowers such as SAS, the Scandinavian airline, the Republic of Finland and Norsk Data, as well as more esablished names in the market such as the City of Oslo and the World

The size of the assues has also been growing from the average level of NKr 100m during the early 1980s to NKr 250m for the latest issues by the World Bank and Norsk Data. The internationalisation of

the currency and the Norwegian financial institutions is a direct result of the growing capital surplus that is being built up as the revenues from North Sea oil production swell the surplus on the current account and the country rapidly pays off its foreign debt.

The current account of the balance of payments has been in surplus since 1980, but this year the surplus has grown dramatically and is expected to exceed NKr 25bn, equivalent to close to 6 per cent of gross national product.

Norway's foreign debt grew rapidly up to 1979 reaching NKr 103.6bn or 43.5 per cent of gross domestic product by the end of that year.

With expanding oil revenues the Government will have reduced its net foreign debt virtually to nothing by early next year and at the same time the country's net foreign debt will have been brought down to IMKr 70-80bn or 18 per cent of GDP by the end of this

One of the most dramatic Illustrations of Norway's grow-ing financial strength is the build-up of its foreign exchange reserves, which have jumped this year to around NKr 80bn, equivalent to around six months' cover for the country's

import of goods and services. Reserves sufficient to cover around three months' imports are considered by most central banks to be adequate and both Norges Bank, the Norwegian central banks and tha Government now accept that an excess of funds has been built up and by borrowers such as the City that a unit of Oslo, Norwegian Export strategy can be used for placing

. By David Brown

Norway's net external debt (End year figure Kr.bn) Extimates Central government Local government Norges Bank Commercial and savines hanks Overseas shipping Other Norwegian sector Percentage of GDP

The large increase in net debt is partly due to a revised grouping Figures for 1983 are mainly based on balance of payments data.

Source: 1973-1962 Credit Market Sayatteness

this surplus.

The build-up of the reserves has reached such a level that Norway now has the highest foreign exchange reserves of any country in the industrial-ised world, measured against monthly imports.

According to the recent natoinal budget statement the Government has decided "to contemplate placements which are better suited when short-run liquidity considerations are less pressing, in order to ensure high returns on the reserves." Following pressure from the banking sector, the Government

has accepted that Norwegian banks can also be used for plac-ing the "excess" reserves, which will give them an important new source of fund-ing. How this should work in practice has not yet been decided, but the Government has made clear that no subsidies can be involved. "Norwegian banks will be used to the extent terms," Ministry. the Finance

The use of the funds will probably be aimed at speeding up the internationalisation of Norwegian industry and financial institutions, bowever, although the Government has emphasised that profitability must be the sole criterion for foreign projects. "The purpose of establishment abroad must be increased or safer income for the Norwegian parent company and thus for the Norwegian society. This is, from the point of view of the national economy.

the only reason." Aware of its record to date in frittering away part of the country's growing oil wealth on subsidies to keep going unprofitable domestic industries, the Government is laying down

market terms."

exchange controls.

exchange controls.

Next year the banks will be allowed to give loans abroad for the first time — potentially opening the way for the creation syndicated loans — up to a ceiling of NKr 5bn (including lending to the oil sector). The rules for companies hold-

such a high level. Norway has

found itself in a position to liberalise many of the foreign

ing foreign exchange abroad have been diberalised, formali-ties governing inward and outward direct investments — with the enception of the stripping industry — have been removed, and rules on the provision of merchandise credits by foreign credit institutions have been releved. All with the aim of encourage

ing capital exports, foreign exchange regulations for individuals have also been relaxed, with the removal of restrictions

travel purposes.

• purchase of holiday homes • purchase of foreign sheres and foreign bonds

The growing international role of the Norwegian knope and the liberalisation that Norway's stronger financial position has allowed has brought a rapid expansion for

Norway's leading banks. Den norske Creditbank, for example, Norway's largest com-mencial bank, now has more than half of its assets in foreign currencies. "It took us 126 years to reach total assets of NKr 18bn," says Mr Leff Terje Leddesel, chief executive, "four years later we have assets of around NKr 74bn with more

than helf in foreign currencies. clear markers about the criteria sudden expansion was its £67m for foreign projects. "If a part takeover earlier this year of the of the currency reserves is placed on somewhat more long which it had previously held term conditions, it will be on only 25 per cent of the shares. arket terms."

with the rest held by three other

With the currency reserves at Nordic banks.

Finance, and the World Bank. Since March this year, how-**Norwegian Krone**

Lending

KEVIN DONE

policy forced them last month to impose a ban on the pur-

chase by foreigners of domestic

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1983

%

31.1

25.5

15.0

14.0

1982

31.2

25.2

14.9

14.1

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Pressure on profits

SKANDIA, Sweden's largest insurance company (and one of Europe's top 20), is attempting to maintain the momentum of its international expansion despite having been forced by a combination of beavy competi-tion and unexpected losses to sharply revise its forecast for

fuil-year profits.

In a surprise announcement Skandia reported a steep drop in its pre-tax earnings this autumn and predicted its fullyear profit on the non-life business will plunge from SKr 696m Earlier this year, it had fore-cast profits at "about the same level" as in 1980.

In addition to heavy price competition, Skandia has been

hit by a number of heavy claims, Its International business will run up a loss of SKr 25m compared with last year's SKr 230m profit. This is mainly due to a deterioration of its U.S. market, where it is among the top 10 reinsurers and where it suffered large losses as a result of storms and burricanes, as well as bigher liability claims and stricter ver-

dicts in American courts. In the consumer division, profits are expected to fall by SKr 104m to SKr 10m following rash of home and car burglaries in Sweden.

Meanwhile, the highly profitheavy premium price com- last year.

petition. It was also hit by a major loss from a warehouse fire in West Germany.

Nonetheless, Skandia is moving ahead at full steam with its International expansion strategy. Recognising the economic and political limitstions of the Swedish market in the early 1970s, at moved to emphasise international growth. particularly in reinsurance.

.The proportion of income from foreign operations bas grown from 40 to 71 per cent over the past two decades and, with the exception of the American market, the international business continues to

For example, in the midst of an upheaval in the City of London, Skandia moved Into the financial services field early this year with its acquisition of a 29.9 per cent stake in Quilter Goodison, one of London's 20 largest stockbroking houses.

Meanwhile, the plays a key role on the Swedish financial scene as the country's largest property holder and the single biggest institutional shareholder with a portfolio valued at about SKr 7hn (or some 3.5 per cent of the total value of listed stocks).

In Sweden, it is required with other insurance companies able industrial division expects to invest in low-yield govern-a fall of SKr 214m to SKr 100m ment bonds and housing issues. in earnings in the midst of These soaked up about SKr 4bn



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Profile: Storebrand-

Keeping it in the family

STOREBRAND - NORDEN, NOTway's largest insurance group, was formed through the recent merger of the country's two leading concerns in the sector. An odd aspect of the union was that the two portners could

trace their respective histories back to companies formed more than a century ago by members of the same family. Storebrand of the same family. Sucrements was founded as a fire insurance firm, in 1847, by a group of businessmen including one Joergen Gjerdrum. Twenty Joergen Gierdrum. Twenty years later, his younger brother Karl Ferdinand started Norden. Approved in 1982, the Store-

and Norden link-up took effect last year. The group, thus created, has 30 per cent of Norway's risk insurance market and nearly 20 per cent of its life insurance market.

non-life policies totalled NKr 5,254m (\$676.5m) in 1983, of foreign business. The latter figure was 21 per cent up on a year earlier, reflecting the group's acquisition, in 1983, of a U.S. company, Switzerland General Insurance Corporation of New York.

Storebrand-Norden's areas of activity include — as well as life and risk insurance—marine, and offshore insurance, international reinsurance, and finance and investment. Turn-NKr Sbn. and total assets at the end of the year stood at NKr 17bn. Share capital was this year increased by NKr 104m

The group's balf-year report, published in October, said its life insurance activities and finance companies had done well in the period, but that profits on non-life insurance were down in the opening half of

Nevertheless, group results for the whole of this year, excluding life business, are expected to be above last war's total of NKr 227m.

Premium income in the nonlife sector was only 2.5 per cent up at NKr 2.8bn, of which foreign business accounted for cial income of NKr 166m, operating profits were balved to NKr 66m, reflecting a significant 43 per cent. Despite net finanrise in claims.

Profits on industrial policiea fell to NKr 4m, from NKr 45m, and motoring business showed a deficit of NKr 40m, twice as high as in January-June 1983. deficit on combined insurance rose to NKr 23m, from NKr 1m. Maritime, tran-sport and credit insurance showed the most marked growth

in premium income.

The group's two finance companies, Custos Finans and Norsk Finans, achieved a profit of NKr 51m before had debt provisions-NKr 29m up on a year earlier.

The life insurance company torehrand - Nordon Liv Storehrand - Nordon Liv increased premium income by 28 per cent to NKr 567m in the half year, while financial income rose by 21 per cent to NKr 410m. Profits after allocations were NKr 287m, cations were NKr 28 compared with NKr 239m.

Sweden eventually lifts ban on outsiders

DURING THE next 12-18 months both Norway and Sweden are coming in from the cold with decisions to finally open their borders to foreign banking operations. Sweden's atubborn unwilling-

ness to allow entry to foreign banks — hitherto they have only been able to open repre-sentative offices — bad become a source of severe embarrass-ment aince both its neighbours Finland and Norway had earlier chosen to fall into line international banking

Ever eager to score points off Ever eager to score points off its Nordic neighbour, Norway took the chance of its plans for liberalisation to point out earlier this year that Sweden would aoon be the only country in Europe "aside from the dictator-ships in the East Bloc " still to maintain a ban on foreign banks. Demonstry was the first of the Denmark was the first of the order countries to allow the

establishment of foreign banks in the mid-1970s, a move forced on it by its entry into the European Community. To the surprise of its neighbours Finland also liberalised its legislation in 1979, which led

to the first foreign banks starting operations in 1983.

Three foreign banks now have subsidiaries in Helsinki, Citibank, Chase Manhattan and Banque Indosuez, which has set up a subsidiary in which Postipankki, the Finnish Post Bank, owns 15 one cent Thom may owns 15 per cent. They may soon be joined by Samuel Montagu, A foreigner may also acquire and hold shares in a Finnish bank—with the per-mission of the Ministry of Finance—provided that the total amount of shares does not exceed 20 per cent of the bank's

Recent plea

Swedish tegislation currently forbids any foreign ownership of Swedish bank shares, and there appear to be no imminent plans for easing this restriction despite a recent plea from leading domestic banks.

As part of their response to the threat of increasing foreign competition three leading Nordic banks, Skandinaviska Enskilda Banken of Sweden, Union Bank of Finland and Bergen Bank of Norway decided earlier this year to Foreign Banks KEVIN DONE

operation pact under the name Scandinanvian Banking Part-

The venture is aimed at giving corporate customers much improved cash manage-ment services throughout Scandinavia along with unmatched access to borrowing in the three local currencies. The venture is supposed to be cemented by an exchange of shares between the three banks S-E Banken, for example, would take a share of up to

10 per cent in Bergen Bank and 6 per cent in Unioo Bank but this move is blocked for the moment by restrictive Swedish legislation.
Ironically it is the foreign banks that will aoon he able to iay the best claim to offering corporate clients a pan-Nordic banking service.

banking service. A total of nine applications to establish foreign banking subsidiarles in Norway bad been received by the September 1 deadline set by the Norwegian authorities and a decision on how many licences will be issued should be made around the turn of the year.

nine applicants are: Manhattan, Citibank, Baoque Indosuez, Manufacturers Hanover, Banque Nationale de Poris, Banque Parihas, Samuel Montagu, Svenska Handels-banken, and in a joint applica-tion Wermlandsbanken and Uplandsbanken, two regional Swedish banks.

Banque Nationale de Paris bas applied with the Trondheimbased Forretningsbanken and a sbare of 25 per cent is sought for the Norwegian partner. Banque Indosuez is also seeking to establish a co-operative ven-ture with the Stavanger-based Rogalandsbanken with a 20 per cent share for the Norwegian

advanced in Sweden, but during the autumn a special committee of inquiry established by the recommended firmly that foreign hanks should be allowed into Sweden, too.
The committee laid out a clear timetable which the

overnment is expected to foiproposed changes in the bankon July 1. The foreign banks would then be given four months in which to lodge their applications with a closing date of November 1 1985. It should be feasible for the foreign banks to start operations around the turn of the year 1985/86.

The committee's report, which is likely to be misrored fairly closely by the final legislation, includes the following points:

Foreign banks should establish subsidiaries, not branches Fourty capital will be Foreign banks should establish subsidiaries, not branches. Equity capital will be limited to a maximum of SKr 75m (\$9.3m) and a minimum of SKr 25m in the first years of operation.

Several foreign banks could co-operate to form a jointly-owned consortium bank, but they should not be allowed to take in a Swedish partner. Foreign banks would not be allowed to huy a holding in

allowed to huy a holding in existing Swedish banks • In the first phase at least foreign banks will be prohibited

from establishing further subsidiaries such as finance hrokerage companies

· Foreign banks will have to undertake to provide a "relatively broad range of activities in Sweden" The committee is concerned that foreign banks should not simply cream off lucrative business in their chosen specialities, but should offer a broad range of banking services, including controversially, retail banking

· Banks will be favoured that show they are ready to train up their own staff rather than peach from existing institutions. It is still to be ahown how desirable the Swedish market will prove for foreign banks, although close to 30 banks already bave representative offices in Stockholm. The Swedish authorities expect swedish authorities expect applications from 15-20 banks and might well enforce some form of quota system.

Most of the foreign banks interested in the Swedish market hope to acquire better access to top quality corporate clients by establishing subsidiaries and will concentrate on offering specialised wholesale banking services.

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Electronics

ELAINE WILLIAMS

is the hallmark of most of the Scandinavian banks, with investment in high technology being necessary to improve efficiency

in a very competitive market. This trend is most strongly pronounced in Sweden, where the ability to introduce a high degree of electronics has been aided by an agreement to standardise, the 14 commercial saving and co-operative banks sharing a common cbeck system.

It has given the country the benefits of cheque truncation for example, where an elec-tronic facsimile of the actual cheque can be transmitted to the hank branch where the cheque would normally bave to be physically presented. Britain, in comparison, is a long way from achieving this cheaper system of clearing personal

Late in 1935. Swedish banks bope to start trials as part of a larger project to establish an on-line clearing system using the bank giro centre. This means that the clearing of cheques will take place at the time of the transaction rather than a few hours or even days

Other common systems include the sharing of bank automated teller systems—also a feature in Finland. Last year the Scandinaviska Enskilda Banken, Sweden's largest bank invested SKr 150m for a new generation of automated teller

card for use with automated with applications in super-

ventional credit card Soon bank employees will be issued with the card for the

issued with the card for the early trials. It may even he valid at petrol stations which are already familiar with card operated pumps.

The köpkort is a concept which is spreading throughout Scandinavia. Denmark was the first country to announce its commitment to such a system. commitment to such a system. Its Dancard has similar uses to the köpkort. It will be valid at all retail outlets of a planned nationwide network for electronic funds transfer at the point of sale (EFTPOS).

Thorny question One of the problem which has held up the introduction of similar networks in Europe has been the thorny question of who

actually pays for the equipment which must be installed in re-Denmark bas found a solution. There banks will pay for the cost of the terminals and their installation, while the PKK, the Danish credit card and banking organisation, bears the communications, administracion, central computer and marketing costs. Cardholders

will not get away entirely free and some charges will be levied. Norway bas chosen to levy a charge of about 10p per transaction on its common card sys-tem. This is likely to grow from a small network to a full on-line system next year.

been on a single atandard bank-ing card called the köpkort. 90 per cent of all transactions This will be a cash withdrawal are in cash, which means that there is very little demand for teller machines a debit card a sophisticated bome-banking

dabbled with an electronic banking system. The Union Bank of Finland has a system which is hased on a touch tone tele-phone, and a voice response unit connected to the hank's central computer. When a cus tomer wants to pay a bill or transfer anoney between accounts, be diels the computer centre and responds to the spoken instruction given by the computer. After a series of security codes the user enters the details of the transaction. Automation is not the preserve of retail banking, bowever. Corporate customers an

> of technology, too. On a united front, the Swedish hanks are setting up a network called Banknet which will allow corporate customer: to be connected into national banking system.

beginning to reap the benefits

SE Banken, being the larges commercial bank in Sweden has a range of corporate ser vices. It has a comprehensive strategy for its corporate cus tomers which includes the provi sion of electronic services giv-ing investment advice, loan calculations and tax and finan-cial analysis.

Over the last

The bank introduced a small computer service which pro-vides computer programs which will run on more than 20 makes of microcomputer. This has heen offered at a limited num-ber of bank branches but even tually those with a computer will be able to be connected machines.

Home banking systems are will be able to be connected directly into the bank's central ment emphasis of the banks has



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That the strategy is the right one is demonstrated in the latest financial report. Consolidated sales over the first eight months of 1984 have risen by 27% from the same period last year, to





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Oslo boom gathers fresh impetus

autumn, after prices weakeoed briefly in September under the influence of Wall Street.

By October 31, the composite share price index had risen 25 per cent above the eod-1983 figure of 190.5 (January 1 1983=

Turnover, which quadrupled from NKr 1.7bn (\$193m) in 1982 to NKr 7bn in 1983, now seems set to reach about NKr 16bn this year. The volume of new issues is expected to hit NKr 4.5bn—around NKr 1hn up from 1983 and corresponding to more than NKr 1,000 per

ing to more than NKr 1,000 per capita in Norway.

By comparison, the value of new issues hy Norwegian quoted companies in 1980 was only NKr 300m, while turnover was only just over NKr 1bn.

Three factors explain the bectic increase in prices and activity over the past couple of activity over the past couple of years. One is the fairly recent "discovery" of the Norwegian market by foreign investors, attracted by the stable krone and Norway's relative pros-perity in a recession-ridden

Instead, many have gone shopping in the stock exchange, buying stakes—sometimes controlling shares—in other companies. 1954 has seen a very high number of mergers and takeovers, with iodividual deals running into hundreds of millions of kroner.

One of the Name of the stock exchange—although the effect on actual turnover to the shopping in the stock exchange—although the effect on actual turnover.

THE phenomenal boom on equipment at this stage because share, on November 22, Oslo's Stock Exchange has of high interest rates and unsupported new strength this certainty about the future.

One of the largest to date - has probably been modest-is

The current year on the Norwegian bourse has seen a high number of company

mergers and acquisitions

in October—was the NKr 350m acquisition by Norcem, an investors introduced since industrial group with offsbore Labour's defeat in the 1981 interests, a cootrolling stake in the ship and rig-owning company Nordeof Jeldske.

This has brought thousands of new, small investors into the

Nordent Jeidske's States, which, has studently bettine would boost the conscious. The country's popular importance is the investment strategy of the country's main strategy of the country's main strategy of the country's main NKr 850m. To bein finance the share dealing fortunes made by deal, Norcem recently sold its earned good profits in 1983 and 198.000 shares in the industrial the serious dallies have continuesting in new plant and Borregaard (market price per column inches devoted to stock

in the ship and rig-owning com-pany Nordenf Jeldske.

Norcem has offered to take all:
Nordenf Jeldske's shares, which, bas suddenly become share

Conservative Finance Minister Rolf Presthus have doubled-to NKr 4.000-the annual amount which may be earned, tax-free, on profits from the sale of shares held for a minimum of two-and-a-half years (previous minimum period was five-and-a-half years), and the tax on share profits has been cut to

30 per cent, from 50 per cent Another tax concession bene-fits people who invest regularly in unit trust funds. It has led to a substantial growth in these funds, unknown in Norway until just two years

Plans are in hand to set up a central register of share trans-actions, and when this has been done, investment in all types of shares could well qualify for the tax breaks which now apply only to investment in unit trusts.

Much will depend on whether the research Conservative led

the present. Conservative-led coalition government is returned to power in next September's elections. If recent polls are to be trusted, this looks unlikely. But the prospect of a Labour victory in 1985 is apparently still too distant, and too uncertain, to dampen investor's spirits.

market has weakened as the economic recovery has peaked.
Other factors are the rise in yields so the bond market this

year in response to a tighter monetary stance by the national bank (Central Bank) and some

uneasiness at the failure of the Government to meet its pledge

to reduce the current balance of payments deficit, which for

Fay Gjester

400

Signs of a pick up in Stockholm

BY DAYID BROWN

Led by the top industrial issues, the Veckans Affarer

cent this year. Chemicals and engineering listings dropped 8 per cent each, and virtually the only area to show any im-

Among the biggest losers have been top industrial companies like SCA (forest products, down 24 per cent). Perstorp (chemicals, down 28 per cent) and Alfa Laval (engineer

However, a number of analysts suggest that the market's decline may be bottoming out. At current prices many shares are starting to become rather good buys.

They also point out that recent developments should be viewed in a hroader context.

Indeed, the market showed signs of a fledgling recovery towards the end of the month.

(the insurance companies, pension funds, etc., which between them control two-thirds of the market) have stayed on the sidelines, brokers say. ing was triggered by fears of

The supply of new issues earlier this year—not least the jumbo SKr 3hn (\$372m) subordinated loan issued by the investment companies at the heart of the "Wallenberg Empire"—has periaps overtaken demand. The total level of new paper this year has already exceeded the record SKr 11bn raised in 1983.

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Foreign buyers were instru-mental in the market's initial upturn and now own some 7 per cent of the listed shares. By the end of September, foreign investors had purchased a total SKr 731m in shares, against the SKr 4.74bn at the same time a

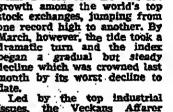
The controversial wage carner funds, which had per-haps paradoxically been seen by many analysts early this

ing, down 31 per cent),

mew limits on margin buying, while factors such as high interest rates have played a key role in the longer-term decline. Government bonds offer a real

the year.

year as a potential source of new capital (they take in SKr 2.20n per year in levies on corporate taxes), have played very much the same cautious role as other institutional investors and have placed little



index in early November had already dropped by 24 per cent from its February peak. Most of the decline came in the space of two weeks.

Hilary Barnes

Nonetheless, many individuals have sold out to protect their holdings. Institutional investors

SKr 11bn raised in 1983.

since the beginning of the year, and investors have often had to pay a hefty premium of up to 30 per cent. Foreign investment in Finnish shares has been ris-Kevin Done in equities.

ONLY a year ago, the Stockholm Bourse led the list for growth among the world's top stock exchanges, jumping from one record high to another. By March, however, the tide took a dramatic turn and the index began a gradual but steady decline which was crowned last month by its worst decline to month by its worst decline to

By sector, forest products issues fell an average 15 per

provement was mining and

rate of return of as much as 5 per cent.

Moreover, the Government's 1 per cent turnover tax, divided equally between broker and client, is credited with having set off a spate of net selling hy foreigners in the first half of

year earlier.

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Renaissance of Copenhagen exchange

of a Non-Socialist Government in the autumn of 1982 have contributed to the renaissance of the Danish share market and the Copenhagen area, thich, industrially, has become although the share price index is now about 20 per cent lower than last winter's peak, the greater vigour of the market is bere to stav.

Traditionally the market has consisted of two lists, the official III have all heen a success in bourse and the so-called afterbourse, now re-dubbed bourse I and II. In 1982, these were supplemented with bourse III, a list for small companies.

The bourse III has attracted 21 companies to date and there are several more preparing an introduction. The downturn in the market has seemingly not deterred the smaller companies, probably because they can count on support from local investors

greater vigour of the market is the industrial action is taking bere to stay.

The introductions on bourse than the introduction price. Ten oew companies have been introduced to bourse I this year,

with the issues by Radiometer, one of Denmark's leading companies in medical electronics, and the small but wealthy computer manufacturer, Dansk Data Eletronik, among the most

The two important legislative changes hehind the recovery were the abolition in 1981 of capital gains tax on shares held for over three years and the exemption of yields on sbare investments from a special tax on pension funds.

Yields of over 31 per cent, after inflation, on pension fund investments—including personal



MONITORING Finnish companles is still something of an vestors, but the rapid inter-nationalisation of the Finnish corporate sector has given the Helsinki stock exchange at unacustomed share of the limelight in the last two years.
Investors have been given an

exciting ride. The KOP (Kan-sallis-Osake-Pankki) general in-dex increased by 37 per cent in 1982 and jumped by a further 63 per cent last year, a surge in stock prices that was reflected throughout the Nordic region. The general index rose further 17 per cent in the first weeks of this year, while the newly created index of nonrestricted shares those that can be bought by foreign inves-tors, was showing a gain of 27 per cent by the beginning of

During the summer and autumn months these gains have virtually heen wiped out, bowever, and by November both indexes were showing increases of barely 3 per cent.
Activity on the market has surged nevertheless with the turnover in equities in the first eight months alone at FM 1.3bn (\$225m) already exceeding the 1983 level of FM 1.2bn. Turaover in 1983 had already shown an increase of just under 120 per ceot on the previous year. The market capitalisation of the Helsinki stock exchange more than doubled to FM 29.4hn hv the end of June this year from FM 14.1bn 18 months earlier. The stock market has become

a much more significant source of new capital for Finnish companies and financial institutions. which raised FM 2.28bn in new equity in the first six months of 1984 alone compared with FM 1.24bn in the whole of 1983 and FM 923.9m in 1982. The string of new capital in-lections—headed early in the year by Jumbo issues by the two hig hanks KDP and Union Bank -coupled with surging share prices and the relative strength of the Fianish currency since the October 1982 devaluation— has given Finnish stocks a new

Finnish companies made the most spectacular gains in this year's FT 500 list, which ranks companies hy market capitalisation, with 12 Pinnish concerns making the list compared with making the list compared with seven in the previous year.

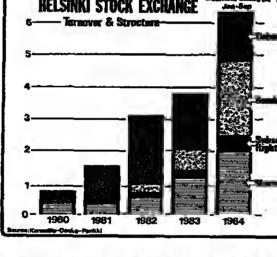
KOP jumped 160 places to position 101 closely followed by Union Bank with a rise of 106 places to 181. They were followed by Nokia (198), Wärtsilä (264), Kooe (325), Pohjoda (331), Rauma Repola (346), Huhtamäki (393), Kymmene-Strömberg (454), Finnish Sugar (455), United Paper Mills (456) and Partek (487). The interest shown in Finnish

shares by foreign investors is a now considering an amendment fairly recent phenomenon with to this rule. It is likely that it one turning point coming in will follow the Swedish pattern 1982 when Kone, the maker of lifts and materials handling equipment, became the first Finnish company to gain a quotation on a foreign exchange with a listing in Stockholm. Listing gained

cern. Finnish Sugar and Pohjola, the country's biggest insurance group, have made private placements abroad, while Instrumentarium gained a listing on the New York over-the-counter FM 106m in new capital. tors have become more

proached warily . . . Finland looks to us like a market for 1986 or 1987 rather than 1985.

(455), United Paper Mills (456) in Finnish companies is limited to 20 per cent of the share capital, but the Government is



It has since been joined hy Nokia and Wärtsilä in Stock-holm, while Wärtsilä led the mish company to gain a listing in London earlier this year when it raised some £25m. It has been followed on to the London Stock Exchange by the Amer group, a diversified manufacturing and marketing comfacturing and marketing con-

For all this activity, inves during the second half of the year, and expectations have has given Finnish stocks a new been dampened. According to status alongside their foreign Mr Brian Knox of Grieveson Grant, the London brokers and a specialist on the Nordic markets, "investment should be ap-

The trading of shares in Fin-

of allowing foreign ownership of up to 40 per cent of the capital but only 20 per cent of

the votes.

Non-restricted shares have

only been quoted separately on the Helsinki stock exchange

ing fast, however, rising from only FM 60m in 1982—chiefly

buying from Sweden—to FM 500m in 1983 and more than FM 800m in just the first half of 1984.

nish companies on an interna-tional scale is not without problems. The scope of the market is narrow and it has not always been possible to find enough unrestricted shares through the Helsinki market to saxisfy minimum requirements of big foreign institutional investors. At present foreign ownership

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SECTION II - INTERNATIONAL COMPANIES

FINANCIAL TIMES

Wednesday December 19 1984



Salén in plea to Palme for rescue

By Kevin Done in Stockholm MR SVEN-SALÉN, chairman nf Saleninvest, the struggling Swedish shipping group, met Mr Olof Palme, the Swedish Prime Minister, yesterday in a last effort to save the company from financial collapse.

The fate of Sweden's largest shipping group is expected to be decided

today, when last week'a adjourned board meeting is resumed to consider the outcome of weeks of negotiations among Saléninvest's chief creditors, the state and the banks, on a SKr 1bn (5113m) rescue

At the beginning of November Saleninvest, the world's largest operator of refrigerated cargo vessels, was forced to appeal to its creditors for help m a far-reaching financial reconstruction in the face of huge continuing losses.

The Government has adopted a tough stance, however, refusing to accept write-offs higher than it might expect to lose in a bankrupt-

Saléninvest's main banks were holding crisis talks yesterday to decide if they were ready to step in and assume the main burden

The banks have loans to Saleninvest totalling around SKr 2.7bp led by Scandinaviska Enskilda Bank-Bank of America, Svenska Handeisbanken, PKbanken and Sparbankernas Bank.

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How IBM is erasing the competition

BY LOUISE KEHOE IN SAN FRANCISCO

IBM is causing choas in the U.S. personal computer industry and among its suppliers. Executives of the company's Entry Level Systems division, which makes personal computers, bave revealed that they are aiming for growth of 30 per cent in 1985, twice that of the group as a

IBM's growth plans represent a big threat to competitors and could damage the industry, according to Mr Steven Jobs, chairman of Apple Computer, IBM already holds a close to 40 per cent share of the U.S. market for business-type personal

Mr Jobs and other industry leadweakening market.

They claim IBM is selling the PC jr, a home computer, below cost. IBM strongly denies the charges. Mr Jobs maintains, however, that

BY OUR NORDIC CORRESPONDENT

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insurance group, has again been ture losses.

forced to lower its profits forecast

The group

Apple Computer, the second largest U.S. personal computer maker. "could not afford to do what they are doing. We are the lowest cost producer, and we could not sell a comparable product to the dealers for what they are selling them for without losing money," he said.

by IBM's generosity towards U.S. universities and colleges. This week tha company announced a scheme of computers to colleges this year,

The college market is widely held to be of strategic importance to per-sonal computer makers hoping to

gain the loyalty of future business leaders with student machines.

It is, however, in the business sector of the personal computer market that IBM's hig thrust is be-ing made. With the PC AT (for advanced technningy) introduced in through the first quarter of 1985.

August, IBM has created a new level of competition among personal computer manufacturers.

None of the group's main competitors has been able to match the performance of the PC AT, which uses a new high performance mic-roprocessor, the Intel 286.

Some relief from the race to compete with IBM however, may be at hand for the makers of IBM-compatible personal computers.

According to computer retailers, the PC AT is in very short supply. Some have also reported technical problems with the hard disk storage unit built into the enhanced version of the personal computer,

although others report no such

The Entry Level Systems division told dealers last week that it will not be able to fulfil all orders for the bard-disk version of the PC AT IBM says the problem is due to a

shortage of parts - including the disk drive - and higher than antic-The shortage of PC ATs could give manufacturers of IBM-compatible personal computers an opportunity to catch up with IBM's new de-

While the shortage may be good news for other personal computer makers it does not bode well for the disk drive industry. IBM is currently believed to have only one source of supply for the high-capacity bard disk units used in the enhanced PC AT - a company called California Memories. IBM is, however, devel-

considering Japanese disk drive suppliers. Both moves are bad news

for U.S. disk drive manufacturers -IBM's purchases of small hard disk drives currently represent about 30 to 40 per cent of the U.S. market, Mr Porter estimates.

According to Intel, which supplies the high performance 286 microprocessor used in the PC AT, 1BM-compatible personal computer manufacturers have, en masse, slowed their orders for the older 8088 mi- U.S. chip makers.

oping its own productinn facilities for disk drives, according to Mr James Porter, president of Disk/
Trend, a Los Altos market research

croprocessor used in IBM's basic PC models and placed sample orders for the 285 as they rush to develop machines that compete with

The shift away from the 8088 has already contributed to a serious order slowdown at Intel, which recently forecast reduced earnings for the current quarter.

IBM has further upset the equilibrium of the U.S. semiconductor market by cancelling all its orders for 64k Ram memory chips, according to industry sources. IBM's nrders represent approximately 20 per cent of the \$3bn 64k Ram market. Industry experts assume that IBM has switched to using the 256k Ram chips, which are currently available in large quantities only from Japanese manufacturers. They fear that 1BM's move may basten a general decline in sales for

Pioneer may put itself up for sale

PIONEER Corporation, which played a key role in discovering the vast natural gas reserves of the Texas Panhandle bas hired a leading New decide wbether it should go up for

The Amarillo-based nil and gas exploration group, currently capita-lised at \$1.1bn, has retained Kidder Peabody to explore financial choices including a possible sale of all or part of its assets.

Pioneer has been regarded as a takeover target for some time and Mr Irwin Jacobs, the Minneapolis financier, recently increased his stake in the company to 9.4 per cent and indicated that he might be interested in seeking full control.

The company earned \$137.4m in the first nine months of 1984, more than double the \$60.2 earned in the same period of last year. The earnings gain, however, was due pri-marily to the sale of Pioneer's Westar pipeline unit to the Boston-based Cabot Corporation.

Although the group's recent performance bas been hit by the slump in the oil services industry, it bas ncreased its liquidity substantially in recent months and reduced its long-term debt-aside from selling its pipeline the group recently sold a 9.1 per cent stake in Louisiana Land and Exploration back to the company.
Pioneer bas been buying its

sbares In the market in recent months and has been been streamlining its operations. It owns about 65m barrels of oil reserves and is understood to bave substantial undeveloped acreage and real estate.



Skandia trims forecast

SKANDIA, Scandinavia's biggest meet the probable increase in fu-

its claims reserve for the American rities sales made since last profits

liability business by SKr 300m to forecast in September.

ers charge that IBM is using unfair to give \$25m in cash and equipment tactics in its efforts to increase personal computer sales in the face of has already given over \$50m worth competitors believe.

The group expects to show a profit after tax of only SKr 10m for

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role in brokers

By Lachian Drummond in Sydney

Canberra lifts

limit on foreign

ther SKr 200m (\$24.2m) and the group has been forced to increase its claims reserve for the American property of the Amer THE AUSTRALIAN Government has lifted the foreign shareholdings limit for the stockbroking industry from 15 per cent to 50 per cent. The decision will allow those foreign groups which have established foot-holds in broking to boost their holdings and it can also be expected to draw additional foreign players into seeking a presence in Australia.

So far four foreign groups have taken the plunge with Morgan Grenfell Australia taking 14.9 per cent of the Sydney firm of Horden Utz and Bode, London stockbrokers Hoare Govett snaring 14.9 per cent of McIntosh Griffin Hamson, Wardleys from Hong Kong taking the same share of Rivkin, and Prudential Bache gaining 7.9 per cent of Cortis and Carr.

Hill Samuel, soon to be 'Australianised' as Macquarie Bank, has 14.9 per cent of E. L. Davis, while Kleinwort Benson is known to be waiting in the wings as an equity partner for Hattersley and Max-

So far none of the big U.S. securities houses except Bache has formed any equity connections with

The initial limits on broking bold-ings, which were in line with the ex-isting foreign investment policy, were spelled out in April shortly af ter brokers were free to take in outside shareholders. The fixed commission structure was ended at the

Toronto and Amex plan electronic link

By Bernard Simon in Toronto THE AMERICAN and Toronto stock exchanges are to develop an electronic link between their trading floors, allowing orders in the U.S. or Canada to be routed automatically to the exchange best able

to execute them. A pilot project, limited to about seven securities, is due to be com-missioned by next March. Three dozen Canadian-based companies are presently listed on Amex, while 53 U.S. stocks also trade in Toronto. According to a Toronto exchange official, the initial link is likely to include shares of Dome Petroleum, Echo Bay Mines and Canadian

The two exchanges said yester-day that the trading link, which is subject to regulatory approval in quidity and to broaden the list of Canadian and U.S. issues available for trading through either exchange."
Canadian shares have at times

accounted for more than a third of total trading volumes on the Amex, and volumes frequently exceed those in Toronto.

Toronto is negotiating similar arrangements with nther North American markets and an ancouncement is likely in early 1985.

Steady growth at U.S. retailer

By Terry Byland in New York

A SUCCESSFUL third-quarter at Great Atlantic and Pacific Tea, the seventh largest U.S. supermarket chain, which is controlled by Tengelmann of West Germany, saw profits maintained at operating lev-els despite the costs of new store openings, acquisitions and special marketing projects.

Sales jumped by 13 per cent to \$1.38ho in the third quarter. Income before taxes and special items increased from \$13m to \$31.2m. Net earnings at \$26.7m, or 71 cents a

Einaudi set to break even BY ALAN FRIEDMAN IN MILAN

EINAUDI, the troubled Italian publisher of high quality works of literature and art, will break even this year after suffering buge losses in 1983. The Turin-based company, which was put in the hands of gov-ernment-appointed receivers last January, is also expected to emerge from receivership in 1985, according to Dr Giuseppe Rossotto, the tioner who is managing

When the receivers moved in last pended last January anuary Einaudi had accumulated Einaudi, a family publishing firm January Einaudi had accumulated losses (since 1979) of L29bn (\$15.2m), of which L14bn had been lost in 1983. Under the Italian law nn Ammin-

of receivership, the L29bn of losses

over drop to L34bn, against L42bn last year. The company none the less istrazione Straordinaria, a form managed to publish 90 new titles

founded in 1933, saw its 1984 turn-

and reprint 278 books this year. were this year consolidated into the publisher's debt, bringing total indebtedness to its present level of L73bn. All debt servicing was sus-

Rhône buys control of Brown Disc

tion technology by buying control of months.

Brown Disc, a specialised U.S. floppy disk manufacturer.

state-owned chemicals group, has group Dysan, and will increase its puters.

reinforced its position in informa-share to 80 per cent in the next few Rhône-Poulenc will also buy from

Brown Disc, based in Colorado Springs, has been operating for Rhone-Poulenc has bought a 51 three years and expects to turn over per cent stake in the company from \$45m next year, based on produc-

RHÔNE-POULENC, the French its previous owner, the electronics tion of floppy disks for microco

Dysan the 45 per cent it does not already own in the French company Dypy, specialising in rigid and flop py disks. Financial details for the deals were not disclosed.

IN-DEPTH REPORTING DAILY IN THE FT

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Norwest Asia Limited

Summa International Finance Co. Ltd.

Pittsburgh National Bank

Occember 1984

Return

to black

forecast

by VW

VOLKSWAGEN, the West German motor vehicle group.

will report a profit this year.
It has made considerable headway in dealing with deep-rooted problems which caused losses totalling DM 515m (\$167m) in the pre-

vious two years.

At the same time. VW has voiced concern about the unsettled state of the West German car market, where noders are suffering from the

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Interest on the Notes will be payable semi-annually in arrear in each January and July commencing in July 1985.

Particulars of the Notes are available in the statistical services of Extel Statistical Services Limited and may be obtained during usual business hours up to and including 21 December 1984 from the Company Announcements Office of The Stock Exchange and up to and including 2 January 1985 from the following:

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Cazenove & Co., 12 Tokenhouse Yard. London, EC2R 7AN.

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19 December 1984

All of these securities having been sold, this announcement appears as a matter of record only.

\$50,000,000



The Hertz Corporation

11%% Senior Notes due December 1, 1994

Lehman Brothers Shearson Lehman/American Express Inc.

Navember, 1984

INTL. COMPANIES & FINANCE

WHY THE PRICE WATERHOUSE/DELOITTE MERGER FAILED

Accountants get wrong answer

BY ALISON HOGAN IN LONDON

THE ABRUPT termination of merger talks between chartered accountants Price Waterhouse and Deloitte, Haskins & Sells, announced yesterday, surprised the accountancy profession as much as the original news that they planned

About 4,000 partners in the two firms worldwide comoleted a secret ballot last Thursday, after 15 weeks of campaigning on the part of key partners. That included a series of meetings with all staff and the distribution of a 250-page prospectus outlining the proposals and compre-hensive details of the firms practices and markets both nationally and internationally.

Serious reservations had been expressed by partners at the time of the announcement in August. The general feeling within the accountancy profession, however, was that having allowed the talks to progress so far partners would vote to support the strategy of their mangement.

Akzo still

wants U.S.

acquisition

By Laura Raun in Amsterdam THE FAILURE of Akzo, the

Dutch chemicals group, to snare the chemicals division of

Beatrice Foods is a sethack for

its well-known search for a U.S. acquisition.

Akzo has confirmed that is

was in the bidding against ICL which last week announced that it was buying Beatrice's worldwide chemical activities for \$750m. The Arnbem-based

chemicals concern, however, is continuing its efforts to find a suitable U.S. partner "It is quite an extraordinary turn

the big eight accountancy firms have battled in an increasingly competitive and aggressive market-place. Fee income between the first much more than in the UK.

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

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management allowed it to happen. In a professional organisation an event like this is quite undesirable," said Mr Michael Blackburn, senior partner of Touche Ross UK.

of events that the partners did not deliver the support," said Mr Don Hanson, senior partner of Arthur Andersen UK Rumours of mergers have been

rife in the U.S. for the last year as

and eighth largest firms varies Deloittes, holding seventh place in the U.S. seemed a particularly strong candidate for a merger, but

few predicted that Price Waterhouse would be the partner. Price Waterhouse has a carefully cultivated image of quality and aloofness with an impressive blue chip client list. It has an efficient

BY ALAN FRIEDMAN IN MILAN

Ivrea-based group has post-poned plans for a Wall Street quotation (and share issue) until late next year or early 1986.

OLIVETTI, Italy's leading data broad spread of share trading processing equipment company, in continental Europe during is to seek stock exchange listings in Brussels and Zurich taneous quotes in New York early in the new year, but the lyres-based group has nost.

"I am extremely surprised the managment structure and is gen erally thought to generate more profits per partner than Deloittes. In the UK Deloittes is the third largest firm of accountants, just ahead of Price Waterhouse. With n much smaller fee income differen bal between the largest UK firms, the merger appeared to make little

> The merged UK practice would have had a fee income, on 1983 figures of over £138m (\$162.84m) compared with the £74.3m income of Peat Marwick Mitchell, the largest

In the U.S. the combined practice would have just beaten Arthur Andersen into first place by U.S.\$16m with fee income of U.S.\$923m.

The two firms' competitors have expressed relief that the period of uncertainty is over. They admit that the prospect of a merger forced them usefully to reappraise their strategy, but are happy that they can proceed at a more measured pace.

The Wall Street quotation,

which could also involve an

Aga's control of **Uddeholm** rises

AGA, the Swedish industrial group, has strengthened its grip on Uddeholm, the tooling, steel

and hydro-power group with the acquisition of further shares worth around SKr 39m

(\$1.91m),
Aga said yesterday that it now controls directly, or indirectly, morethan half of the votes in Uddeholm, which will be consolidated in AGA group in controls of the consolidated of the consolidated

financial statements from December 31.

Last year Aga had a turnover of SKr 5.3hn and a workforce of some 11.300. Uddeholm ex-

SKr 2.4bn this year and has a workforce of 2,700.

over 50%

By Kevin Done, Nordic Correspondent

nrders are suffering from the controvery about stricter emission controls. On the other hand, VW sees further good prospects in the U.S. The turnaround to a profit for 1984, which VW so far is rejuctant to estimate, is a notable success for Dr Carl Hahn, who took over as chief executive in 1982 just as the Hahu, who took over as chief executive in 1982 just as the car group was plunging deeper tuln trouble.

Even so, VW says that the profit, while a major step ahead, is still not satisfactory. There has been considerable speculation that VW may he able to resume paying a dividend after emitting 2 payout for two years in succession. Olivetti seeks quotations in Brussels and Zurich

dividend after emitting 2 payout for two years in succession. But VW has declined to comment on this.

The company, which is 20 per cent owned by the Federal Government and 20 per cent owned by the state government of Lower Saxony, last paid a dividend of DM 5 per thare on its 1381 results. It made a group loss of DM 38m in 1982 and DM 215m last year.

Issue of between U.S.\$50m and until late next year or early 1986.

Apart from Olivetti's quotation on the Milan bourse, where its total market capitalisation stood yesterday at L2,762bn (\$1.45bn), the company's shares are already listed in Paris, Frankfurt and Ceneva. The strategy now is to achieve a lissue of between U.S.\$50m and \$100m in new shares, was mriginally scheduled for this year. Last April Olivetti said it was postponing the issue until 1985 in view of "uncertainty on the American stockmarket and the restrictive time limits for the fulfilment of technical requirements." This year has been greatly beloed by the strength of the U.S. dollar, which has boosted U.S. sales and earnings in D-Marks terms. It has also gained from intensive rationalisation measures and much improved export sales.

much improved export sales.
Its Latin American operations, as well as its Triumph
Adler office equipment subsidiary, will again report
losses. However, It has considerably reduced its loss in
Brazil, where it has carried
out major restructuring.

VW expects group worldwide rates to rise 12 per cent

wide sales to rise 12 per cent in about DM 45bn this year, despite disruption to output during the West German metal industry strike in May

and June. Sales by its Audi subsidiary

sales by its Audi subsidiary are expected to show a 3 per cent increase to about DM 9bm.

The group expects to deliver about 2.16m VW and Audi models, to customers worldwide this year. 2.5 per cent more than last year.

Deliveries in West Germany will subroach last year. many will approach last year's level at 722,000, while deliverles in European export markets will rise 2.7 per cent to a record 625,000.

In the U.S. sales are up a hefty 17.5 per cent to 250,000.

This announcement oppears as a matter of record only.

NEW ISSUE

December, 1984

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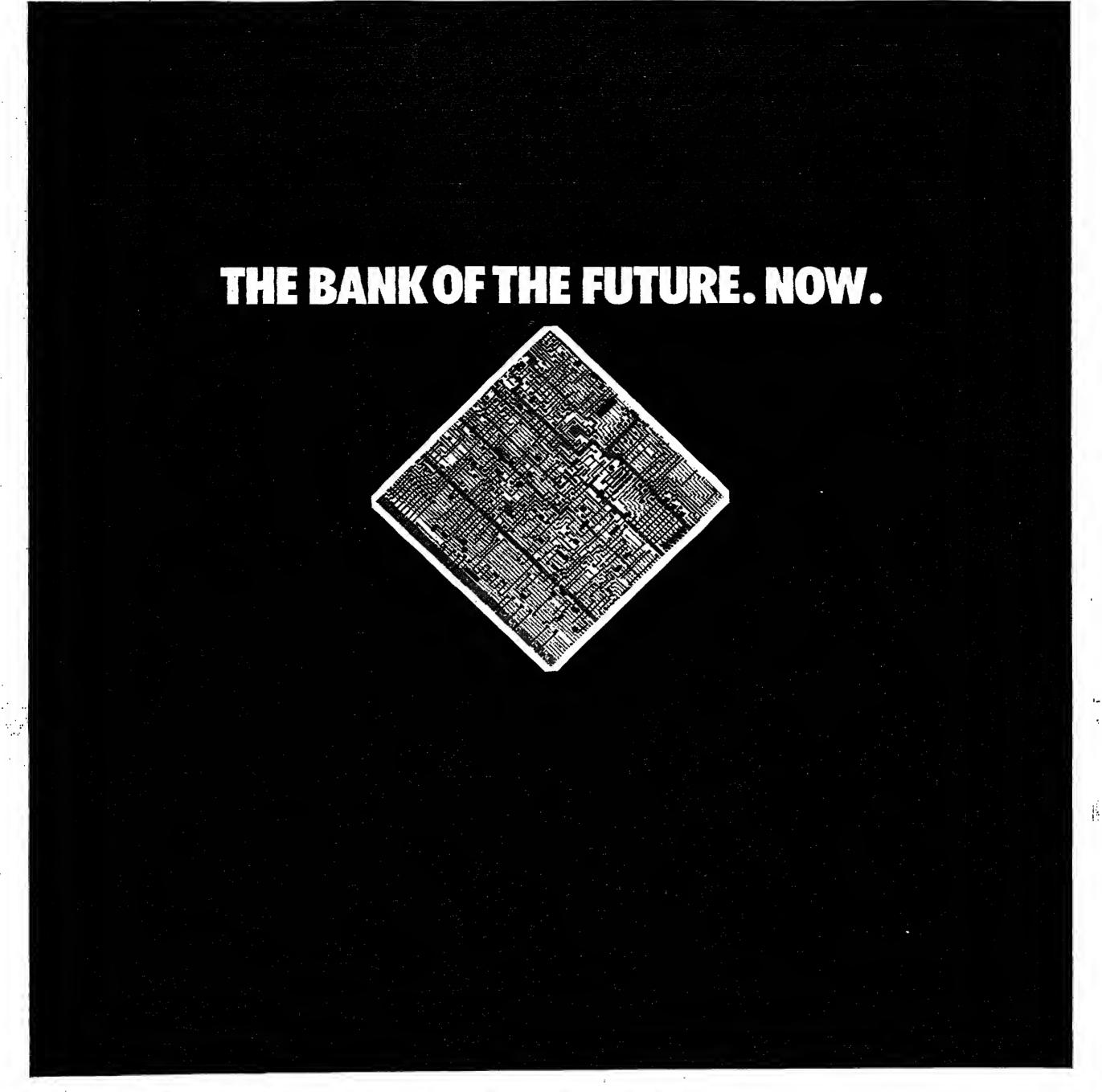
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By: Bankers Trust Company, London Fiscal Agent

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December 19, 1984, London By: Citibank, N.A. (CSSI Dept.), Agent Bank CITIBANCO



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The Banker in the March issue will be publishing its annual study on the expansion of nNew York as an international banking

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THE REPUBLIC OF FRANCE In accordance with the terms and conditions of the Notes, notice is hereby given that for the three month interest period from 17th December 1984, the Notes will curry a rate of interest of 978% per samum. The colorant interest payment date will be 18th March 1985. The coupon amount per £5000 will be £123.10, payable cashing a country of £5000 will be £123.10, payable cashing a country of £5000 will be £123.10, payable

Hambros Bank Limited

INTL. COMPANIES & FINANCE

David Dodwell on Hong Kong's new Banking Commissioner

Fell takes on troubleshooter role

Exchange, where he had been chief executive for five years; he has spent the last three years as Hong Kong's Commissioner for Securities and Commodities Trading, improving the credibility of the regulatory role, and preparing the ground for major reforms in the local

major reforms in the local securities industry.

His move to bead the Banking Commission—with an almost identical brief—follows the resignation of Mr Colin Martin, who had been Banking Commissioner since 1971. There has over the past year or so been mounting criticism of the Commission as scandals linked with the collapse of deposit taking companies like Dollar Credit, and that of Hang Lung Bank in October, 1983, have undermined confidence over its effectiveness in monitoring the territory's banking sector.
"If the Hong Kong Government want me to do it, why
not?" Mr Fell asks: "Banking not?" Mr Fell asks: "Banking Commission or Securities Commission, they are all part of the regulatory scene." Mr Fell, a carear civil servant, has an unhurried fireside manner enhanced by an unpolished Cumberland accent. This is not perhaps, the usual stuff of which troubleshooters are made, nor is it a role he has sought. When he was appointed Hong Kong's Securities Commissioner in 1981, be was conmissioner in 1981, be was con-vinced he would he "ebopminding" while the

supervision department headed by Mr Brian Gent. After an investigation into the Hang Lung collapse, the team complained that the Banking Commission was not adequately protecting bank depositors, partly because it was preoccupied with technical breaches of the banking ordinance and failed to make wider judgments about banks

"The report is no more than a starting point," he cantions:
"Time has already moved on. We have to decide what is possible in Hong Kong, and what is within our resources. what is within our resources. This is not the City of London, and the banking commission is not tha Bank of England, so there are constraints on us."

Mr Fell is backed up by Mr Richard Farrant, the newly-appointed edviser loaned to the Commission for two years from the Bank of England's supervision department — and Mr Fell aims to have a policy Fell aims to have a policy

MR ROBERT FELL, who, at the age of 63, has just been appointed Hong Kong's Banking Commissioner, seems an improbable troubleshooter. But that is the mantle he bas been asked to wear in the British Colony's fast changing financial services industry.

He was poached in October, 1981 from the London Stock Exchange, where he had been in the British of the Bong Kong's as an improvide of the highest priorities will be in Hong Kong for six reforms to be tackled in 1985. One of the highest priorities will be to "move closer to additors," Mr Fell is expected to succeed in part hecause he appears at the Banking Commission will be to "move closer to cheed in part hecause he appears at the Banking Commission will be to "move closer to cheed in part hecause he appears at the Banking Commission will be to "move closer to cheed in part hecause he appears at the Banking Commission will be to "move closer to cheed in part hecause he appears at the Banking Commission will be to "move closer to cheed in part hecause he appears at the Banking Commission will be to "move closer to cheed in part hecause he appears at the Banking Commission will be to "move closer to cheed in part hecause he appears at the Banking Commission will be to "move closer to cheed in part hecause he appears at the Banking Commission will be to "move closer to cheed in part hecause he appears at the Banking Commission will be to "move closer to cheed in part hecause he appears at the Banking Commission will be to "move closer to cheed in part hecause he appears at the Banking Commission will be to "move closer to cheed in part hecause he appears to have a responsibility to cheed in part hecause he appears at the Bank auditors," Mr Fell is expected to succeed in part hecause he appears to have a responsibility to cheed in part hecause he appears at the Bank auditors, and the Bank auditors, and the Bank auditors, are part to cheed in part hecause he appears to have a responsibility to cheed in part hecause he appears at the Bank auditors, are part to cheed in

wider judgments about banks and their obligations.

"With or without the Bank of England report, the Hang Lung Bank collapse was a watershed." Mr Fell notes:

"The Government had to pick up the tab, because in a modern economy you can't just walk away from a hank failure.

"Banks are in a privileged position, and because of that position, and because of that have to act in a particular way. The authorities have the right to know more, and a laissez-faire attitude no longer works.

> Mr Robert Feli of difficulty, Mr Feil comments. "They have a duty to us as guardians of the public and the

public purse."

Local bankers seem confident he can bring changes where predecessors have failed. This predecessors have failed. This is partly because of the foundations he has laid for change in the securities industry. The unification of the Territory'e four lealously-competitive stock exchanges will take place in 1985, as will the establishment of a futures exchange. The 1985 development, most important of all, statement ready for ong Kong'e Executive Council by

independent moves whose only interest is in the creation of a better system: "As regulators, we are trying to make the market chean for the benefit or the pensions themselves or the operators themselves whether they are in the stock market or the banking com-munity and if we manage that, we will automatically protect savers and their deposits," he

There have been no par-ticular signs in the past that the lack of disclosure here has ben a hindrance to the flow of money. There is, povertheless, a feling that the market would be a better market with greater

He makes light of the fact that he has no professional banking experience — partly banking experience—partly because of a conviction that the regulator's job is similar, whatever part of the financial sector he is regulating, partly because there is an accelerating trend towards the creation of "a single financial market." and, no doubt, also because he is underpianed by 160 experienced staff, and a high-flying adviser from the Bank of England.

Yamaha shows first-half improvement

By Our Tokyo Staff

YAMAHA MOTOR, the world's second largest manufacturer of second largest manufacturer of motorcycles, swung back into pre-tax profits of Ylbn in the half year to October 30, from the previous first half loss of Yl3.9bn and the company posted a net loss of just Y0.9bn, compared with a deficit of

Domestic sales of motorcycles dropped by 7 per cent to Y37.750, having been affected hy inventory adjustments at domestic dealers. Meanwhile, motorcycle exports centring on large models to western coun-tries advanced by 11.7 per cent to Y44.6bn. Sales of out-board engines and three-wheel cars, mainly to the U.S. market, fared

1965, Yamaha projects full-year motorcycle sales of 1.55m, up 19 per cent, with domestic sales of 650,000 units and exports of 900,000 units. Sales are projected at Y380bn, up 12 per cent, full-year profits profits of Y4bn, and net profits of Y1bn.

Bell Group takes profit on Elders

By Lachland Drummond in Sydney A WEER after threatening to take over the company, Mr Robert Holmes a Court yesterday made a profitable exit from Elders IXL, grossing around A\$6m (US\$5m) in capital profits and dividends from a stake of 5.5 per cent built up in the brewing finance and rural services group in the past three

His Bell Group's 13.4m shares were sold to clients of Hill Samuel Australia, with South Australian Brewing Holdings emerging with 8.5m shares bought at 5A3.40 a share to take

its holding from just over 1 per cent to 4.7 per cent.

SA Brewing is 22 per cent owned by Elders following its takeover of Carlton and United Breweries this year, and the purchase by the South Australian brewer is said to leave Elders executives satisfied that they have insulated themselves from the danger of takeover by securing friendly hands for more than 50 per cent.

Support for Japanese tax move

A RESEARCH commission of Japan's ruling Liberall Democratic Party which is considering the country's tax system has decided to back the imposition of a witholding tax on income accruing from the transfer of zero-coupon bonds issued by foreign corporations issued by foreign corporations issued by foreign corporations from next April.

Taxabase bonds have been the start of the next fiscal year. Dended in March 1982 by the Japanese corporations and indepth of its pended in March 1982 by the Japanese corporations and indepth of its pended in March 1982 by the Japanese corporations and indepth of its pended in March 1982 by the Japanese corporations and indepth of its pended in March 1982 by the Japanese corporations and indepth of its pended in March 1982 by the Japanese corporations and indepth of its pended in March 1982 by the Japanese corporations and indepth of its pended in March 1982 by the Japanese corporations and indepth of its pended in March 1982 by the Japanese corporations and indepth of its pended in March 1982 by the Japanese corporations and indepth of its pended in March 1982 by the Japanese corporations and indepth of its pended in March 1982 by the Japanese corporations and indepth of its pended in March 1982 by the Japanese corporations and indepth of its pended in March 1982 by the Japanese corporations and indepth of its pended in March 1982 by the Japanese corporations and indepth of its pended in March 1982 by the Japanese corporations and indepth of its pended in March 1982 by the Japanese corporations and indepth of its pended in March 1982 by the Japanese corporations and indepth of its pended in March 1982 by the Japanese corporations and indepth of its pended in March 1982 by the Japanese corporations and indepth of its pended in March 1982 by the Japanese corporations and indepth of its pended in March 1982 by the Japanese corporations and indepth of its pended in March 1982 by the Japanese corporations and indepth of its pended in March 1982 by the Japanese corporations and indepth o

because the capital gains from sales of such bonds before naturally are tax free.

The LDP's Tax Research Commission and the. Ministry of Finance (MoF) have also agreed on the need to impose a 20 per cent witholding tax on interest and vidend earnings on foreign bonds and securities as from of deregnlating and interest sciulting than country's marketing not more than 10 per marketing not more than 10 per marketing not more than 10 per attractive for wealthy investors, zero-conpon bonds are used. Sales, topped \$100m in July this year.

However, there are critics of the way the tax system treaty and dividend earnings. Sales such bonds, which are seen bonds and securities as from

From next April.

Zero-coupon bonds have been extremely popular in Japan because the capital gains from sales of such bonds before maturity are tax free.

The LDP's Tax Research Commission and the Ministry of the Ministry

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Cdn. \$100,000,000

International Bank for Reconstruction and Development

99-year Floating Rate Notes due 2083

These securities were underwritten and sold by the undersigned.

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November 1984



S.F.E. INTERNATIONAL N.V. U.S. \$75,000,000

Guaranteed Floating Rate Notes Due 1991 Guaranteed by

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In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the six months 19th December, 1984 to 19th June, 1985 has been fixed at 913/16 per cent per annum and that the coupon amount payable on coupon No. 2 on 19th June. 1985 will be U.S.\$496-08 per Note of U.S.\$10,000 and U.S.\$12,401-91 per Note of U.S.\$250,000.



The Sumitomo Bank, Limited (Interest Determination Agent)

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Credit Suisse First Boston Limited

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INTL. COMPANIES & FINANCE

MacMillan Bloedel reorganisation takes time in coming to fruition

BY BERNARD SIMON , RECENTLY IN VANCOUVER

IT IS TAKING an uncomfortably long time for MacMillan Bloedel, Canada's largest forest products company, to reap the full benefits of a three-year drive to stash costs, medernise its plants and reorganise its corporate structure.

The company posted a meagre C37.5m (US\$5.7m) profit in the three months to September 30, a result little more unimpressive than the earnings of C\$0.6m a year earlier. Sales, on the other hand, bounced up by 21.3 per cent to C\$603m (US\$457m). Prospects for next year are un-Prospects for next year are un-certain. Mr Raymond Smith, MB's president, cautions:
"1935 is a wait-and-see year—
and that might be the optimistic view."

Despite realising C\$400m from the disposal of assets (inclining its Vancouver head office huilding) and cutting overheads by C\$150m a year, MB's balance sheet is still hundred by C\$450m of intents

Mr Smith, a professional trumpet player for a time before he joined MB in 1957, says that the main plank of the company's financial strategy its still to the test of the debt to company's financial strategy
"is still to get that debt to
manageable levels." Until
then, a string of capital projects—each costing C\$30.40m—
has been delayed. The company raised almost C\$50m from
an issue of common shares in June 1983, and some analysts think another infusion of capital may be on the cards,

Operations span a wide range of forest products

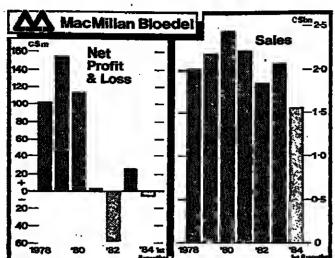
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MB's operations span a wide range of forest products, in-cluding logs, pulp, newsprint, building materials and packag-ing. Recent measures to im-prove profitability have centred on a shift of the product mix away from low-value commodi-ties to specialised manufac-tured items. According to Mr Smith, the aim is to achieve "greater influence over our destiny than simply accepting the results of housing starts performance and hooing the highs more than offset the lows."

Mr John Duncanson, an on all North American timber analyst at McLeod, Young, growers. Despite their eager-weir, the Toronto stockbrokers, ness to sell more processed



products, British Columbia producers are having to ship record

volumes of raw logs, mainly to

Over-capacity has recently reversed a rise in pulp prices, and Mr Smith expects a similar

development in the newsprint market in 1985.

In addition, MacMillan Bloedel has problems of its own.
The British Columbia forest industry is divided into two

distinct regions, inland and coastal. MB has the misfortune to be hased on the coast (including offshore islands),

where rugged and remote ter-rain coupled with a scattered

variety of tree species and sizes

British Columbia as a wbole

MB and other coastal com-

panies. To make matters worse, the market share of To make

has trebled in the past 15 years. Mr Smith dismisses sugges-

tions that MB should expand

into the hinterland, saying: "I'd rather deal with what we have and make that work." For instance, the company is trying

to capitalise on vast holdings of valuable red ceder by lamch-ing a campaign to encourage greater use of cedar for home

building and decoration, as a replacement for diminishing supplies of U.S. redwood. MB

e-timates that containerboard and packaging will rise to 25 per cent of MB's sales in 1985, from 19 per cent four years ago, while the contributions of lumber and pulp will slide from 32 per cent and 15 per cent respectively to 28 per cent and 10 per cent

and 10 per cent.
Typical of the high-value items which the company wants to sell in greater quantities is Parallam, e structural product made from long strands of wood and a waterproof adhesive. The ingredients are pressed into a continuous rectangular beam which can be cut to any length to suit customers' needs.

MB is nearing the end of a raise logging costs to double those of inland forests. C\$1.2bn investment plan to adjust its plants to these new demands while bringing down has maintained its 18 per cent share of the U.S. lumber market, but the proportion supplied by inland producers has risen at the expense of unit costs.

The capacity of several paper machines has been raised, and modifications made to produce newsprint suitable for quality colour reproduction. Output of thermo-mechanical pulp is rising to replace higher-cost chemical pulp. A new sawmill at Chemainus, on Vancouver Island, dua to be commissioned later this month, will turn ont two-thirds of the volumes of the mill it is replacing, employ-ing fewer than one-quarter the number of workers.

Such signs of progress bave of ar been overshadowed. so far however, by a number of setbacks. Depressed serious lumber prices are a major drag on all North American timber

low-cost cedar chips for pulping. High labour costs and endemic industrial unrest have further weakened British Columbia's forest companies. Strikes or lock-outs bave dis-rupted the industry during five of the past eight iabour contract negotiations. A 10-week stop-page earlier this year pushed MB into a C\$17.5m loss over January to March.

In a bid to deaken the trade unions' bargaining power, the Province's 14 major pulp and paper companies have asked the authorities to allow negtoiations between union branches and individual employers to replace the present system of industry-wide hargaining.

MB has lowered its depend-

ence on British Columbia by establishing—and recently expanding—a large facility at Pine Hill, Alabama. Pine Hiti produces lumber, plywood and packaging materials. The C\$230m expansion bas raised its annual capacity to 600,000 tons of linerboard and corrusted paper a year annual capacity. gated paper a year equal to 5 per cent of total U.S. capacity. Pine Hill may also be designated to produce the new Parallam beams.

MB strengthened its European packaging operations last year by merging them into a joint venture with Jefferson Smurfit, of Ireland, and the Swedish group Svenska Cellulosa. According to Mr Smith: "Fifty per cent of the new entity is worth more than 100 per cent of the old."

Hopes for upturn in profits centred on lumber prices

Hopes for a possible unturn in profits next year are centred on higher lumber and newsprint prices. Mr Duncanson estimates that if MacMillan Bloedel follows the Eastern Canadian producers' intention of raign producers' intention of raising newsprint prices next April, its earnings will move no by 75 cents a share. Each US\$10 rise in lumber prices will, on his figures, raise income by another 24 cents a share, Despite Mr Smith's caution. several analysts are optimistic that with the bulk of its invest ment plan completed, MB will make substantial progress towards reducing its debt next is also examining the use of year.

These securities having been sold, this announcement appears as a matter of record only

New Issue

Can. \$80,000,000 (3,200,000 Shares)

Hammerson Canada Inc.

9.12% Cumulative Redeemable Retractable Preferred Shares, Series A Unconditionally Guaranteed by

> The Hammerson Property Investment and Development Corporation plc



Retraction Privilege

The Series A Preferred Shares will be retractable at the option of the holder on December 31, 1989, December 31, 1990 and December 31, 1991 at Can. \$25.00 per share, plus all accrued and unpaid dividends.

Price: Can. \$25.00 per share

Wood Gundy Inc.

Dominion Securities Pitfield

McLeod Young Weir

Nesbitt Thomson Bongard

Richardson Greenshields of Canada Walwyn Stodgell Cochran Murray Merrill Lynch, Canada

Burns Fry

Midland Doherty

Pemberton Houston Willoughby

Bell Gouinlock

Bache Securities

F. H. Deacon, Hodgson

Burgess Graham Securities

Molson Rousseau

Geoffrion, Leclerc

Kleinwort, Benson Limited

December 1984

These securities having been sold this announcement appears as a matter of record only

£30,000,000

American Express Overseas Finance Company N.V.

(Incorporated with limited liability in the Netherlands Antilles)

Guaranteed by

American Express Overseas Credit Corporation Limited

(Incorporated with limited liability in the Island of Jersey, Channel Islands)

103/4 per cent. Guaranteed Notes due 1989

issue Price 100 per cent.

Morgan Grenfell & Co. Limited

International Group

American Express Bank International Group

Baring Brothers & Co., Limited Dai-Ichi Kangyo International Limited Kleinwort, Benson Limited

Samuel Montagu & Co. Limited The Nikko Securities Co., (Europe) Ltd.

Bank of Tokyo International Limited

Bank Brussel Lambert N.V. CIBC Limited Citicorp Capital Markets Group Continental Illinois Capital Markets Group Daiwa Europe Limited

de Zoete & Bevan Girozentrale und Bank Der Österreichischen Sparkassen Aktiengesellschaft

Yamaichi International (Europe) Limited

Shearson/American Express

County Bank Limited Dresdener Bank Aktiengesellschaft Lloyds Bank International Limited

Morgan Stanley International Orion Royal Bank Limited

J. Henry Schroder Wagg & Co. Limited

Hambros Bank Limited Kidder, Peabody International Limited Morgan Guaranty Ltd The National Bank of Kuwait S.A.K. Nomura International Limited N. M. Rothschild & Sons Limited Saitama Bank (Europe) S.A. Sanwa Bank (Underwriters) Limited

Tokai International Limited

These securities having been sold nouncement appears as a matter of record only.



£100,000,000

Kingdom of Sweden

11 per cent. Loan Stock 2012

Issue price £91.976 per cent.

Morgan Grenfell & Co. Limited

Samuel Montagu & Co. Limited

S.G. Warburg & Co. Ltd.

Baring Brothers & Co., Limited

County Bank Limited

Kleinwort, Benson Limited

J. Henry Schroder Wagg & Co. Limited

Trident's £13m in year of further consolidation

Trident Television pushed pre-tax profits up from £10.29m to £12.84m in what the directors describe as "a year of further consolidation."

consolidation."

The result bas been accompanied by a boost in the dividend. A final payment of 5.8p, against 4p, lifts the total to 7.5n, an increase of 36 per cent over last year's 5.5p. Earnings per sbare rose by 6.3p to 16.5p.

Gaming activities contributed more at £6.49m, against £5.45m.
The Clermont and Victoria casinos experienced increased levels of business in the summer following capital investments on redecoration and improvements.

Also, the new Connoisseur
opened in May at the Royal
Garden Hotel. Kensington, and made a "promising contribu-tion" and business has "steadily and business has "steadily increased." Construction of the Gloucester Sporting Club at the Gloucester Hotel. Keasington, to replace the Village, is well advanced.

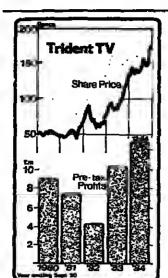
A long-term lease has been entered into with Yorkshire Television for Trident's studios. Net rental income for these, the Tyne Tees studios, and leased

ryne Tees studios, and reased plant and equipment increased from £1.7m to £2.4m. Net interest income rose five fold to £1.5m, reflecting disposals and a stronger cash flow from operations, the directors state. Group turnover for the 12 months ending September 1984 was down slightly at £29.63m (£30.63m) but trading profits were higher at £6.64m (£6.09m). locome from associates (York-

Hollingbery share sale raises £30m

Mr Michael Hollingbery raised £30m grow vesterday when £27m Woolworth Holdings shares were placed on his behalf at a price of 569} p per share.

The stake represented all but 490,000 of the Woolworth shares the Hollingbery and trusts received earlier this year wheo Woolworth acquired Comet, the electrical retailer headed ha Mr



Mr Gwyn Ward Thomas, chair-man of Trident Tetevision

ordinary credit of £3.91m idebit £314,000), which took account of profit on sale of associates 24.43m, subsidiary disposals 50.58m (loss £0.37m), property sales £1.51m, rationalisation costs £0.9m, related tax £2.83m (credit £0 05m1, and release of deferred tax £1.14m.

comment Now that Trident Television has disposed of all of its peripheral

Group turnover for the 12 months ending September 1984 was down slightly at £29.63m (£30.63m) but trading profits were higher at £6.64m (£6.09m). Locome from associates (Yorkshire Television and Tyne Tees Television amounted to £2.2m (£2m), Total investment income to £1.05m (£2.19m). The tax charge was £4.6m (£5.24m). There was an extra

Substantial increases in **Royal London's bonus rates**

This announcement appears as a matter of record only

KRUPP POLYSIUS AG

Guarantee and Letter of Credit Facility

In respect of

Yamama Saudi Cement Co. Ltd., Riyadh.

Kingdom of Saudi Arabia

Extension No.IV of the Cement

Works at Riyadh with a new production

line of 3,000 t/day

Arranged by

Paying Bank

TRINKAUS & BURKHARDT

Participants in both Guarantees and Confirmation of Credit

Banque Indosuez

Banque Paribas

Crédit Lyonnais

Marcard & Co.

Midland Bank plc

Trinkaus & Burkhardt

MIDLAND BANK INTERNATIONAL

TRINKAUS & BURKHARDT

Letters of Credit

DM 254,740,980

Confirming Bank

BANQUE INDOSUEZ

BANQUE INDOSUEZ

Down Payment and Performance

MARCARD & CO.

Guarantees

Issuing Bank

DM 143,291,802

MIDLAND BANK plc

branch contracts.

These bonus rales vary with ranges from £240 for entry year interest rates.

attracting less of the punters' cash than might be expected from their estimated 19 per cent share of London's gambling tables. The new Connoisseur still has more to go for, while the Gloucester Sporting Club will enbance Trident's presence at the lower end of the market when it opens in February, although it is unlikely to make a major profit this year. The £29.5m cash pile—almost 60p per share—will not be overlooked by potential predators. But baving

Royat London Mutual Insurance
Socety is making substantial
Increases as from January 1 1985
in hte rates of special final bonus
applicable to maturity or death
claims in respect of both its
ordinary branch and industrial
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However, from January 1 the Hollingbery. The sale followed the recent death of Mr Hollingbery's mother and was made in the light of the tax consequences of her death.

The placing was bandled equally by Rowe & Pluman, Woolworth's brokers, and James Canal.

These bonus rales vary with However, from January 1 the interior interest addition to the ordinary branch contracts the new scale per £1.000 of sum assured ranges from £280 for entry year 1975 to £1.350 for entry year 1960, compared with the old scale of £160 to £1.160.

On the lodustrial branch, the wrected to vary in line with medium to long-term trends in ranges from £240 for entry year interest rates.

Bestobell appoints recovery specialist

By Alexander Nicoll

Mr John Dowling, who presided over a turnround at Henlys notil the garage group was taken over by a Hawley Gronp/British Car Auctions associate earlier this year, is to become chief executive n Bestobell, the engineering components group which makes valves, seals and control instruments.

The appointment follows the departure last month of Mr Donald Spencer following boardroom concern over Bestobell's financial performance. The company's profits bave been falling partly bestation contracts in Australia.

Mr Dowling, 62, has a repntation as a recovery specialist He was chief executive of Aberdare Holdings and Charrington Industrial Hold-ings before Henlys.

Mr Sandy Marshall, 59-year-old chairman of Bestobell, said Mr Dowling wa sthe right man for this point in the company's cycle. Although Bestobell was not a candidate for a full-scale turnround. there was scope for recovery in some of its operations, especially in the Southern bemisphere, he said.

Lower profits for

J. & H. B. Jackson FOR THE year ending Sep-tember 30 1984 pre-tax profit of J. & H. B. Jackson fell from £3.58m to £2.67m, due mainly to a substantially lower surplus from the sale of listed investments of £884,000 compared with £1.81m last time.

This Coventry-based metal merchant, forger and engineer, is nevertheless increasing the final dividend from 0.95p to 1p net, making 1.75p for the year, against

On turnover ahead at £30.74m (£23.29m) the group's trading profit was little changed at £1.79m against £1.77m. Tax took a lower £756,000 (£851.000), and there were extraordinar and there were extraordinar debits of £15,000 (£113,000).

Net earnings per 5p share were stated as 7.4p compared with 11.1p.

Michael Cassell on a major property group's potential

Taking stock in an era of change

THIS WEEK'S better thanexpected results from Stock
Conversion and Investment
Trust, one of the UK's biggest
and most respected property
groups, has added another upwards twist to a share price
which has barely paused for
breath in the past month.

At last night's close, share In
the group formed over 30 years
ago by Mr Robert Clark and Mr
Joe Levy, stood at 430p, their
nighest level ever. In four
weeks, they bave risen by over
16 per cent in value—around
eight times more than the average increase achieved in the
property sector.

In section funds, who joined the
Stock Conversioo board only a
rear ago. He is moving to the
U.S. in the New Yer to run
Heron'a U.S. operations.
But the stock market now
clearly believes that while Mr
Clark's death may represent the
end of an era, it could open up
a fresh range of possibilities for
a company which has displayed
all of the potential, but little of
the necessary enthusiasm, for
bigger things.

The most obvious development
would be a takeover bid from a

property sector.
Such excilement is not normally associated with Stock Conversion, universally regarded as one of the most predictable and conservative companies in a section of the market which has more than its fair share of high-

comes to considering the company's future.

The two co-founders, both widely acknowledged as doyeos of the property industry, acquired control of a "shell" operation called Stock Conversion in 1951 and almost at once succeeded on a scale and in a semi-secretive style which generated an air of legend that still persists.

rated an air of legend that still persists.

In 15 years, the company developed actively around the couotry aod pushed up share-holders' funds from £158,000 to £45.5m. During that period, there was only one call on share-holders, involving a £5m loan stock issue in 1967.

Today, 5tock Cooversion has a market capitalisation of over

Today, Slock Cooversion has a market capitalisation of over £220m—making it the sixth largest quoted UK property group—and a mixed iovestment portfolio valued at round £200m.

Through a network of substidizry and associated companies, its interests are centred primarily on London and Glasgow but recent development activity has been limited. One of the biggest projects in the pipeline involves the redevelopment of White City Stadium, the purchase of which it completed a few weeks ago.

On the board, Mr Clark has now been replaced by his deputy, Mr Harry Norris, a former finance director of Wimpey, wblle Mr Levy remains ray occupied, which lit is also set to the sixth the purchase of which it completes the purchase of which it completes a few weeks ago.

On the board, Mr Clark has now been replaced by his deputy, Mr Harry Norris, a follow-up bid from Mr Ritblat cannot be ruled out but the recent flagory fully occupied.

The most obvious development would be a takeover bid from a company in search of the type of conservatively-financed, bigh-quality asset base that Stock Cooversion has 10 offer.

Through Equity Trust, Mr Clark and Mr Levy have beld about 22 per cent of Stock Conversion's equity, on top of the combined 10 per cent stake they cootrolled directly.

The only other major share-

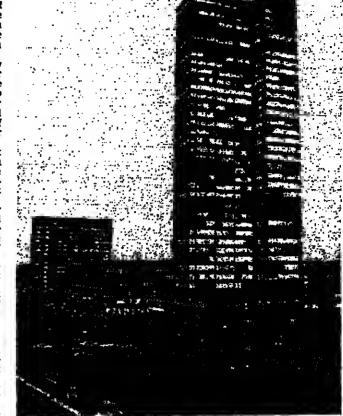
more than its fair share or many more than its fair share or make a bid for a combined 10 per cent controlled directly.

The only other major share than a few expectations when it comes to considering the company's future.

The two co-founders, both consider—and could certainly afford—to make a bid for a company's fitting the combined for a company's future. anoro—to make a bia for a com-paoy likely to cost well in excess of £200m. But its receot decision to try and sell off some of the major buildings owned by St Martins Property Corporation marins Property Corporation—
its UK property investment
vehicle—does not suggest it is
currently anxious to further
expaod its British property
interests.

An institutional bid is always

a possibility to the case of a "blue chip" company like Stock Conversion but the penaion funds and insurance companies have not recently shown themselves to be enamoured with the attractors of the property



The Eusten Centre on London's Euston Road ... one of the

A highly probable alternative is that, with Mr Clark's influence gone, younger ln-house management will at last be given the opportunity to unlock more of the company's potential. Traditioually, it has avoided undertaking developments without the immediate prospect of positive revenue returns, something revenue returns, something which has become increasingly difficult in today's market.

A more active and adventurous approach could now begin to emerge, with lower returns belog accepted as the trade-off for higher capital growth. The group has recently been buying in minority holdings in a significant number of properties and this process could logically be extended as part of a more aggressive attitude towards overall portfolio management.

Stock Conversion has not been.

group's main property investments best-known for its generous dividend distributions and, here at least, signs of n fresb approach are already evident. This week's figures for the half-year up until the end of September were accompanied by a 25 per cent increase to 2.5p in the interim dividend.

High dealing profits and rent reviews belied push up pre-tax profits by £1.73m to £9.48m and the City is now looking for a year-end total nudging £19m against £17.4m in 1983-84.

Given the opportunity, there seems little doubt that an independent Stock Conversion could successfully mastermind the next phase of its development and

successfully mastermind the next phase of its development and build on the legacy established by its two famous founding fathers. Any predator with other ideas will certainly be expected to pay a high price to change the company's destiny.

COMPANY NEWS IN BRIEF

Assets Trust for Anglo Scottish 5.25p to 6.25p. Earnings are Investment Trust becoming shown at 35.6p (29.84p).

The directors say that it was a state of 17.5m 41 reserved. posed rights issue of 17.5m 41 per cent convertible unsecured loan stock 1994 and the proposed scrip issue of warrants are belog made to shareholders registered on December 3 1984. Each \$100 nominal of the loan

stock will be convertible on Jaouary 31 in the years 1986 to 1994 inclusive into 141 JAT shares based on a price per share presenting 110 per cent of the net asset value per JAT share. Each warrant confers the right to subscribe for one JAT share, in any of the years 1986-1994 inclusive, at a price of 64p.

Turnover and orofits for the first four months at Smiths industries were ahead of those for the comparable period of the previous year, Sir Rov Sisson, the chaliman, told the anoual

meetiog. He added: "Our forecasts for the year, as a whole, continue to indicate that a further worthwhile advance io profits could be achieved in 1984-85."

Pre-tax profits at the British Land Company rose from £3.61m to £4.04m for the six months to to £4.04m for the six months to the end of September 1984. The interim dividend bas been lifted from 0.5p to 0.75p, which the directors say is partly to reduce disparity. They intend to pay a final of not less than last year's

1.5p.
Net rental income was £7.21m (£6.56m). There were property sales profits of £1.25m (£1.04m) and securities dealing, dividends and sundry income of £1.16m (£1.51m). Interest costs were £4.04m (£3.61m).

* * *
Interim pre-tax profits at Tops
Estates virtually doubled from
£14,676 to £29,258. Reotal income for the six months to end-September 1984 amounted to £51.297 (£32,382).

E51.297 (£32,382).

The taxable result was struck after property outgoings of £3,595 t£7,583), administration expenses of £6,095 (£4,495) and interest payable of £12.506 (£5,785).

Tax took £11,622 (£4.789).

Earnings per share were shown as 0.334p (0.198p). Tops is quoted on the USM.

Financial and specialist printer, Williams Lea Group, Increased pre-tax profits from \$1.41m to £1.55m for the year to the end of September 1984. Soles were up hy more than £2m at

private, close company are Pre-tax losses of Porter Chad-recommeoding a final dividend of burn, the food and drink equip-

The directors say that it was a successful year for financial printing with production including prospectuses for the flotations of Enterprise Oil and Reuters. The year's results would have been even better, they say, if it had not been for disappointing results from Multisets. This company's performance is now improving

Pall Corporation's stock will be listed on the Stock Exchange from December 17. Its common stock is currently listed on the American Stock Exchange, ticker symbol PLL, and this list-ing will cootinue.

issuing house, leasing company and management consultancy, to and management consultancy, to bring forward the closing date for its offer for subscription.

Guidebouse's private offer of 4m new shares at 26p has been about one-and-a-half times subscribed, and the clusing date has therefore been brought forward form January. It to next Monday. from January 31 to next Monday. Investments in Guldehouse do not qualify for Business Expansion Scheme tax rellef, as stated last

in the half year ended September 30 1984, the Eliza Tinsley Group bas produced a turnover of £3.96m and a pre-tax profit of £322,000. As in other years these represent just over 40 per cent of the expected totals for the full

year.
The interim dividend is lp net The interim dividend is in net and the total is expected to meet the 2.8375p forecast in the USM anplication document last July. Results include four months of Wiegin Chains; the comparable half year has been adjusted for the acquisition and above turnover of £3.82m and profits of \$\circ{207.000}{0.000}. Farnings are 2.64p (2.58p) per share.

Chairman Mr E. R. Jeynes regards the half year as satisfactory, in view of the continued capital expenditure and increased marketing activity. Tool distri-

capital expenditure and increased marketing activity. Tool distributor Griffin Manufacturing showed a good profit increase, but the presswork operation (I. T. Parkes & Sons) weot into decline because of a reduction in Intercampany trading. Profits were also indirectly affected by the miners' strike.

Costa oscaciated with USM entry have been charged as an

entry have been charged as an extraordinary llem of £85,000.

ment, general engineering and plastics concern, rose by £39,000 to £217,000 for the 26 weeks to July 6 1984. Turnover was little changed at £6.37m, against

£6.31m,
Losses per 20p share were shown at 5.51p (5.58p).

Caffyns, automobile agent and engineer, continued its recovery over the six months to September 30, 1984. Turnover was virtually stati at £45.31m but pre-tax profits pushed abead from £474,000 to £554,000.

from £474,000 to £554,000.

The figures inluded a surplus of £388,000 (£248,000) on branch rationalisation but also took into acount a £394,000 rise in other operating harges to £5.05m. Interest costs amounted to £548,000 (£571,000).

A greater than expected number of applications has 14p to 14p per 50p share. forced The Guidehouse Group, an The interim dividend is a same-

Although difficult trading conditions persist in some areas of Benjamin Priest Group, the benefits of the reorganisation and benefits of the reorganisation and other economies are beginning to have a favourable impate on results, the directors state.

Full benefits have not come through in the first half ended September 30 1984, but the group has earned a small profit of £4,000, comparted with a previous loss of £160,000. In the half year turnover came to £14.93m

year turnover came to £14.93m (£19.02m). The proposals for an improvement in the conversion rights attaching to Altken Hume Lai's 10 per cent convertible unsecured loan stock 1990-91 for the 1984

conversion period have become unconditional.

Based on FT Index 936-940 (+3)

£3.67m in nominal amount (91.65 per cent) of the stock. The company inlends to exercise its rights to convert compulsorily the outstanding balance of the stock.

Net asset value per 25p share of F. & C. Alliance Investment totalied 107:1p (89.6p) at October 31 1984. Attributable revenue for the six months to end-October improved from £295,000 to £410,000 after deducting tax of £224,000 (£117,000).

Earnings per share amounted to 0.89p (0.63p). The interim dividend is 0.55p (0.5p) net and the present intention is to pay at least a maintained final of 1.1p. Interest charges were cut to £207,000 (£455,000).

EQUITABLE UNITS

Ozity prices as at 18 December 1984
EQUITABLE UNITS
ADMINISTRATION LIMITED
57-83 Princess Street, Meochester
M2 460, 051-239 5985
Authorised Unit Trust prices
Bid Offer Yid%
For Eastern 50.0 0.8
Gift & Fod Int 50.0 9.5
High Income 50.0 2.5
Pelican See UT Information Service
Special Situations 50.0 2.1
EQUITABLE LIFE ASSURANCE
SOCIETY
4 Coleman Street, Londan EC2R SAP
01-608 6611

By December 15 valid notices of the conversion had been received from the holders of

LADBROKE INDEX Tel: 01-427 4411

Granville & Co. Limited

Telephone 01-621 1212 27/28 Lovat Lane London EC3R 9EB

Over-the-Counter Market

			. P/e
1963-84		Gross Yield	. Fully
High Low Company	Price Change	div.(p) % /	ictual taxed
142 120 Ass. Brit. Ind. Ord	138xd	6.0 4.6	7.7 9.1
158 117 Ass. Brit Ind. CULS	147xl	100 9.8	— · —
78 52 Airsprung Group		- 6.4 12.0	8.8 7.1
42 21 Armitage and Rhodes	63 — 41 —	29 7.0	_B.1 a.5
133 57 Bardon Hill gangaras	133	34 26	13.0 22.3
58 42 Bray Technologies	46 + 2		5.3 7.7
201 173 CCL Ordinary	173 —	12.0 6.9	
152 114 CCL 11pc Conv. Prefate	114xi —		
800 100 Carborundum Ord	798 - 2	5.7 0.7	
84 84 Cerborundum 7.5pc Pf,		10.7 12.5	= =
249 52 Cindleo Group	92 -		
73 45 Deborah Services	68	6.5 9.8	6.3 10.2
240 75 Frank Horsell	260		9.6 12.6
206 751 Frank Horsell Pr.Ord.87	206	98 4.6	8.3 10.8
69 25 Frederick Perker	29	43 14.8	-
50 32 George Bisir			3.4 6.7
80 30 Ind. Precision Caetinge		27 90	R 2 8 9
218 200 les Group	200	160 7.5	7.9 144
124 51 Jeckson Group	107	49 40	5.0 9.6
285 213 James Burrough	280	-137 -4.0	9.9
92 22 Jemes Burrough Spc Pf.	280	12.9 13.9	
80 71 John Howard and Co.	80 + 2	(Z.0 13.2	B.2 11.5
147 100 Linguaphone Ord.	139 -		
100 93 Linguephone 10.5oc Pf.	93 _{kt} -	150 -16-1	
570 275 Minihouse Holding NV		- 3.8 0.7	408 H.T
176 31 Robert Jenkins	32	5.n 15.8	
	28 -	PT 10.0	14.7 3.6
120 61 Torday and Carlials	87 -	5.7 20.4	9.3 19.8
at 370 Trevien Holdings	370	. 4.3. 1.2	21.0 20-
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276 228 W. S. Yestos		-17.4 7.7	5.4 . 10.8
Oriens and density of annulus	225	· 17/4 - 6.7	. 184 all

DIVIDENDS ANNOUNCED

Current -0.25 1.75 0.95 0.1 Brown and Tawse ... int. 2 Equity and Law Life int. 1 0.38 and C Alliance ... Int. 0.55 J. and H. B. Jackson ... 1 Reed Exerntive ... Int. 1

Reed Exernity ... Int. 1 Feb 22 3 5 4.33

Trident TV ... 5.8 Feb 12 1.5 2.7 2.5

Watson and Philip ... 3.5 -- Nii 0.18 Nii

Western Selection ... 1.7 -- 0.5 -- tt 2

Widney ... 0.18 Feb 19 1.2 -- 4.8

Dividends shown pence per share net except where otherwise stated,

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock.

§ Unquoted stock. § For 15 month period. § For 8 months. ** Irisb currency throughout. †† Partly to reduce disparity. ‡‡ Finel of not less than 1.5p recommended. † Adjusted for subdivision of shares.

1984

UK COMPANY NEWS

Mixed results at Watson & Philip

A FALL in the cash and carry results was more than offset by increases on the delivered grocery and catering sections of Watson & Phillip, Dundee-based food group, during the year ended October 26 1984 Trading 5747 000 profits advanced from £747,000 to £973,000 for the period and were boosted by much higher dividends from unlisted investments to make £1,61m at the pre-tax level compared with

The directors look forward The directors look forward "with growing confidence" to the current year. They say there should be continuing profit gains as a result of various actions taken during the last 12

The directors point out that The directors point out that the amount of vacant property left under the company's control, following rationalisation, is likely to cause concern. These costs, they state, will have "an increasing impact on 196485 although they should only slow, but not prevent, the growth of the company."

the company."
Group turnover rose by £14.8m
to £93.39m and after cost of sales,
gross profits emerged at £8.16m, Earnings per 10p share more than doubled from 1.2p to 17p and a final distribution of 3.5p (3p) net lifts the dividend to Sp

A divisional breakdown of both turnover and trading profits shows: cash and carry \$41,33m (540,32m) and £159,000 (£240,000); delivered grocery £19,91m (£12,2m) and £256,000 £3.91m catering £18.96m (£17.96m) and £437,000 (£264,000); manufacture fin £487,000 (£477,000) and £11,000 loss (£27.000 loss); imports £8.8m (£7.03m) and £43,000 (£96,000). Other net income was £85,000 (£59,000), while interest took £53,000 (£59,000 added). (£607,000) and £57,000 (£5,000); catering £18.96m (£17.96m) and £437,000 (£264,000); manufacture (£55,000 added).

of considerable movement in the group is now less valuerable to seasonal patterns in the offshore land. The increased competition, which began in mid-1983, intensidepressed second-haif figures. The directors say the year was fied and led to some degree of rationalisation and change, particularly in the Glasgow area. In line with the group's to 23.23m.

The group has started the upgrading of the Kirkcaldy and Dundee depots was completed. The directors say that apart from the second half last time In line with the group's the Rutherglen closure. impact of the upgrading and the Glasgow reorganisation came too late to have any beneficial effect on the 1983-84 perform-

They are, bowever, confident that the changes made will have an immediate impact on the current year and they expect to see a material improvement in

see a material improvement in this division's fortunes.

The absorption of the Mellis business, acquired at the end of 1982-33, bas now been completed and the result is shown from the improved profit of the delivered increased its terminal bonus rate on its ordinary with profits policies at £5 per cent, and tha additional "bonus on-bonus" rate terminal bonus rate at maturity. 1982-83, bas now been completed and the result is shown from the improved profit of the delivered grocery section, directors state. In the retail sector the nins improved profit of the delivered grocery section, directors state. In the retail sector the nina wholly-owned Spar shops, acquired in the Mellis transaction, have made a worthwbile contribution to group profits, while the improvement in the catering division's profits continues the trend of the last two years, the directors state.

Some reduction in the market for the supply of foodstuffs to oil-related operations has realled in excessive pressure on selling prices.

In the retail sector the nina of the total sum assured and bonuses for death claims and maturities from January 1 1985.

On self-employed and executive pension plans, the £7 per cent compound bonus rate is week's issue of local authority bonds is 10½ per cent, up one-stream in the interim rate of £2 per cent with 9½ per cent a year ago. (1983 declared rate £2.)

The interest rate for this week's issue of local authority bonds is 10½ per cent, up one-stream from last week, and compares with 9½ per cent a year ago. The bonds are issued at par and the interim rate of £2 per cent in the supply of foodstuffs to oil-related operations has realling prices.

Acquisitions lift Brown and Tawse

Brown & Tawse saw its first balf profits surge by some £1m at £29.64m to £44.82m and operative pre-tax level and looks for a "favourable" full year as the benefits of expansion are realised. The interim dividend is being the stockholding and are supersonal to the stockholding and the stockholding are supersonal to the st The Interim dividend is being stepped up from 12p to 2p net, partly to redure disparity

between the two payments. Boosted by a £601,000 coolribution from new acquisitions' profits for the opening six months to September 30 1984 increased from £1.54m to £2.54m. The balance was made up as to £1.79m (£1.34m) from existing businesses and £155,000 (£200,000) from plant sales.

engineering.

The directors are continuing their acquisition policy and reveal that Morris Warden, a Glasgow-based specialist valve distributor, and George W. ManreU (London), a diatributor of general steels, bosed in London and Hull, bave been purebased for cash.

expand Brown & Tawse's distri-bution business in the south-east and Humberside areas. Morris Warden bas net assets of some £150,000 and the acquisition will continue Brown & Tawse's expansion into specialist valve distribution.

Combined turnover of these two businesses in their last audited financial years was £2.6m. Pre-tax profits for the opening six months were struck after deducting interest costs of £357,000 (adding £72,000). Tax accounted for £1.14m (£514,000 adjusted) and amortisa-

expected.
Shareholders were told that sales in the first quarter, excluding the effect of acquisitions. The result for for cash.

Tax accounted for £1.14m showed a bealthy increase and Mancell has net assets of (£514,000 adjusted) and amortisa-acquisitions would "greatly approximately £500,000 and will too of revaluation reserve enhance" the full year results.

Reed **Executive** amounted to £40,000 (£42,000) Earnings came through 1.8p to maintain higher at fi.7p per 25p share. Group pre-tax profits for the 1983-84 year slipped from £3.55m 47% growth to £3.25m. In his report Mr S. D. Rae, the chairman, sald prospects

this year were very encourag

and further increases

Process

Systems

allocation

For the offer for sale of 16m shares of Process Systems Inc. at 92p per share, approximately

42,000 applications were received for a total of some 216m shares

of the shares offered 1.55m will be allocated to existing share-hotders in the company, who were provided with preferential application rights.

The balance will be allocated oo the following basis:

Between 100 and 500 shares— ballot for 100 shares; between 600

and 1,000 shares—hallot for 200 shares; between 1,500 and 5,000 shares—ballot for 350 shares; between 6,000 and 10,000 shares

—ballot for 700 shares; for 18,000 shares and above—approximately 7.4 per cent of amount applied for.

It is expected that letters of acreptance will be posted today and that dealings will commence

Profits of Great Western Resources, which is listed in

Revenues came to \$1.42m (\$385,000) or £1.15m. After tax

\$28,000 (\$14,000) earnings are shown at \$0.01 (nil).

Turnover amounted to £35.49m

Davenports

Great Western

£103,000.

WITH A 488 per cent improvement in taxable profits at the halfway stage, the directors of Reed Executive anticipate that this rate will be maintained for the remainder of the current ing Prices of many pipeline and steel products had already risen

The result for the 26 weeks to September 29, 1984, was £903,000 against £615,000, with most of the increase coming in the amploymeot and travel agents sector. The operating surplus here was £892,000 against £694,000. Selfservice drug stores also showed a significant rate of growth, up from £8,000 to £76,000. The directors comment that

they find themselves in two

diverse areas of commercial activity, both of which are enjoying continued growth. Group turnover moved ahead from £1g.36m-to £23.53m. With regard to the drug stores

the company now has a branch network of 39 outlets, having closed one, doubled the sales area of another and opened nine new stores. The directors have declared an

The directors have declared an interim dividend of 1p net per 10p ahare, with earnings per share for the period stated at 6p (5.9p) There was a lotal payout last time of 1.6p for a 15-month accounting period, when profits ceached £1.31m on turnous \$455.77m over at £45.37m. The taxable figure this time

was struck after interest charges £22,000 lower at £65,000, and was subject to tax at £270,000. There was no tax charge in the comparable period last time.

In line with growing practice, the directors decided to invite tenders for the appointment of the group's auditors. Coopers and Lybrand have resigned and Deardon Farrow have been appointed in their place. London, rose from \$78,000 to \$127,000 in the year ended Sep-tember 30, 1934, equivalent to

Irish Ropes

Irisb Ropes raised pre-tax profits from I£249,000 to 16326,000 during the 12 months to end-September 1984 on turn-over ahead at 1627,42m against

The company manufactures ropes, twines, carpets, wire, plastic products, and is also engaged in spinning and weaving and hard fibre dyes. The single final dividend is being raised from 1.75p to 2.1p.

Following a lower surplus on property disposal at Davenports Brewery (Holdings), pre-lax profits fell from £2.76m to £2.43m for the year to the eod of September 1984. The property surplus fell from £631,000 to £73,000. Further developments of pro-ducts and markets are planned for the current year. While the directors are bopeful of a better The final dividend has been outcome for 1984/85, they warn lifted from 5p to S.4p, which that trading conditions will raises the total from 8.4p to 9p. remain difficult.

THIS NOTICE DOES NOT CONSTITUTE AN OFFER FOR SALE AND THE STOCKS LISTED BELOW ARE NOT AVAILABLE FOR PURCHASE DIRECT FROM THE BANK OF ENGLAND. OFFICIAL DEALINGS IN THE STOCKS ON THE STOCK EXCHANGE ARE EXPECTED TO COM-MENCE ON WEDNESDAY, 19TH DECEMBER 1984

ISSUES OF GOVERNMENT STOCK

The Bank of England announces that Her Majesty's Treasury bas created on 17th December 1984, and has Issued to the Bank, additionel amounts as indicated of each of the Stocks listed below:

£250 m 23 per cent EXCHEQUER STOCK, 1987 £150 m 23 per cent INDEX-LINKEO TREASURY STOCK, 2001 £100 m 25 per cent INDEX-LINKED TREASURY STDCK, 2011

The price paid by the Bank on issue was in each case the middle market closing price of the relevant Stock on 17th December 1984 as rertified by the Government Broker. In each case, the amount issued on 17th December 1984 represents a further tranche of the relevant Stock, ranking in all respects pari passu with that Stock and subject to the terms and conditions of its prospectus, save as to the particulars therein which related solely in the ioitiat sale of the stock. Copies of the prospectuses for 24 per rent Exchequer Stock. Copies of the prospectuses for 24 per rent Exchequer Stock, 1987 and 24 per cent Index-Linked Treasury Stock, 2001 dated 30th December 1982 and 20th August 1982 respectively, and of the prospectus for 24 per cent Index-Linked Treasury Stock, 2011 dated 22nd January 1982 (as amended by the supplement to the prospectus dated 9th March 19821, may be obtained at the Bank of England, New Issues, Watting Street, London PCAM 9AA London EC4M 9AA.

Application has been made to the Council of The Stock

Exchange for each further tranche of stock to be admitted to the Official List.

The Stocks are repayable, and interest is payable half-yearly. on the dates shown below (in the case of 2) per cent Index-Linked Treasury Slock, 2001 and 2) per cent Index-Linked Treasury Stock, 2011, provision is made in the prospectuses for stockholders to be offered the right of early redemption under rertain circumstances): Stock

Redemption date 21 per cent Exchequer 24th February 1987 24th February 24th August 21 per rent Index-Linked 24th September 2001 24th March

Treasury Stock, 2001 21 per cent Index-Linked 23rd August 2011

21 per cent Exchequer Stock, 1937 is repayable at par. Both the principal of and the interest oo 23 per cent lodex-Linked Treasury Stock, 2001 and 23 per cent Index-Linked Treasury Stock, 2011 are indexed to the General Index of Retail Prices. The Index figure relevant to any month is that published seven months previously and relating to the month before the month of publication. The Index figure relevant to the month of issue of 2½ per rent Index-Linked Treasury Stock, 2001 is that relating to December 1981 (308.8); the suck, 2001 is that relating to December 1951 (305.51; Inc. equivalent Index figure for 2½ per cent Index-Linked Treasury Stock, 2011 is that relating to May 1981 (294.1). These Index figures will be used for the purposes of calculating payments of principal and intecest due in respect of the relevant further

The celevant Index figures for the half-yearly interest payments on 2½ per cent Index-Linked Treasury Stock, 2001 and 2½ per rent Index-Linked Treasury Stock, 2011 are as follows: Relevant Index figure

Interest payable

September February

August

Treasury Slock, 2011

Published in August of the previous year February of the same year July of the previous year January of the same year

July January

Relating to

Each further tranche of stock issued on 17th December 1984 will rank for a full six months' interest on the next interest payment date applicable to the relevant Stock. BANK OF ENGLAND 17th December 1984

Western Selection improves

INCREASED pre-tax profits of £616,000 against £405,000 are re-ported by Western Selection for the year to the end of September 1984. Turnover moved ahead from £5.66m to £6.88m.
The final dividend is raised from 1.5p to 1.7p, which lifts the total from 2.5p to 2.7p. Earnings per 20p share are shown at 3.4Sp (2.28p).

The directors are confident

that the group will participate in the growth of the telecommunications industry through its major subsidiary Duratube & Wire. The results for 1985 will depend on the successful completion of an expansion pro-gramme and trends on the Stock Exchange. They look forward to another year of "satisfactory

sales by 21 per rent and net profit by 55 per cent. Sales of direct exports. Increased to £1.42m (£1.39m) and, at the year-end, outstanding orders were the highest level in the company's history.

Having acquired, in May, an additional freehold factory adjacent to the main works at adjacent to the main works at Feltham, near Heathrow, the capital Investment programme bas progressed on time and the new plant is expected to start production next spring. The new manufacturing complex will concentrate on the production of a range of exteroal cables which the company was not previously equipped to manufacture, and a broader range of high technology cables which will meet the grow-

Duratube & Wire increased ing demand at bome and, in particular, overseas.

During the year investment dealing profits increased by 27 per cent to £181,066. The value of the investments, hetd in the portfolio as current assets, was £205,046 above cost, at September 30 compared with £161,365

last year.

Pre-tax profits broke down as
to: Duratube & Wire £330,000
(£212,000); parent company
£224,000 (£152,000); and adjustment to provision on investments
£62,000 (£41,000).

last year.

Oceonics makes up some leeway

systems concern.
The comparable figures are Net profits amounted to £1.61m (£821,000) after deducting tax of £503,000 (£217,000) and adding in an exceptional tax credit of an exceptional tax credit of and Laser Engineering (Development), acquired last March. Net profits amounted to £1.61m | £2.37m and £18.97m restated to

the prospects for the full year are enconraging. The last full period saw a decline of £2.78m to £3.23m.

WITH PROFITS at £2.78m before review, turnover reached £24.37m margins tEIS.19m) generating operating although trading conditions in profits at £2.78m (£2.33m). the offshore industry remained The outlook for the advanced systems division is "very positive," particularly in defence systems. At midway turnover was £10.19m (£3.79m) and the operating result £580,000 operating (£366,000).

> The taxable figure was struck after lower income from related companies at £34,000 (£71,000) and net interest payable at £616,000 (£398,000).

After tax of £400,000 against £531,000, minorities deduction £187,000 (£48,000), and £1f1,000 (£13,000) preference dividends, earnings are stated at 6.6p per share (fi.1p). There is, as usual, no ordinary interim dividend. Attributable profits came out at £2.19m against £1.79m and the retained balance was up from £1,78m to £2.03m. from the second half last time can be expected if the improved trading conditions continue to services division. Mr Aird says April. In the period under there was some improvement in

Commercial Union bonus

taining the compound bonus rate at maturity.

Commercial Union is main- total sum assured and bonuses

The division's market position in the North Sea continued in the North Sea continued strong and in North America, "an area of high potential," a significant increase in market hare was achieved. Prospects in the Far East were recently enbanced with the signing of a six-year co-operative venture agreement with the Nanhai West Oil Company of the People's Republic of China to perform offshore geophysical services.
As previously announced, the

company took the opportunity to realise a major part of its investreause a major part of its invest-ment in the field of undersea remotely operated vehicles (ROV's) by the sale of equipment to Sea-Con Services, a subsidiary of Chicago Bridge and Iron Inc, for £2.45m. It will remain involved in ROV's with particular concentration on systems for specialised applications, says the chairman.

Butterfield Harvey

cuts losses Butterfield - Harvey

sharply lower interim taxable losses of £126,000, against £739,000, and the directors say that the year's outcome should that the year's outcome should show a return to profit.

Excluding a £780,000 trading loss attributable to Shelvoke Dempster (municipal and special purposes vehicles), other businesses made a profit of £1.11m, against £670,000, in the six months to September 29 1984. Harcostar, G. A. Harvey Office Furniture, South Westero Marine Factors and Milsbaw all returned higher contributions.

Group turnover amounted to

Group turnover amounted to £22.25m (£22.61m). Taxable profits were struck after interest of £372,000 (£381,000. There was no tax (£2,000).

Despite the expected npturn, there will again be no dividends for the year. Distributable reserves will still show a deficiency, say the directors.

R. H. Morley

R. H. Morley Group Increased pre-tax profits from £61,000 to £72,000 for the balf year to September 30 1984, although the directors say that turnover, at £1.81m compared with £1.69m, was disappointing.

was disappointing.

At the year end in March, Mr H. N. Khan, the chairman of this polythene film and bag manufacturer, stated that the company's activities were at full stretch and it was unable to meet demand until the introduction of new and more efficient machinery. However, tha metalworkers' strike in West Germany resulted in a delay over the installation of this machinery.

The new plant is now fully operational and has abown a morked improvement in the level of production and the cost of production over the corresof production over tha corres-ponding November-December period of 1983. Stated net earnings per 10p share of this USM-quoted com-pany were shown up at 2.67p (2.44p). Tax took £24,000 (nil). There is again no interim dividend.

Widney dividend

Pre-tax profits at Widney, Birmingham-based general enginser, rose sbarply in the year to September 30, 1984, and the group is to pay a dividend of 0.175p, the first payment since

The result was up from £129,917 to £246,221, and the directors say that current trading conditions remain buoyant. They anticipate another year of

progress.
Turnover moved ahead from £491m to £5.38m. Tax took £19,184 (nil), and there was a net extraordinary loss of £15,000

With earnings per share up from a stated 1.50 to 2.3p, the lirectors restate their intention to pay arrears on preference shares on December 31 next.

another record year with the Woolwich **ASSETS HOME LOANS UP 38% TO NET SAVINGS UP48%**TO **Investors** with the Woolwich



The Woolwich has continued to respond to the challenges of a rapidly changing market place throughout the past year. We have maintained our position in the forefront of the building society industry, and achieved record volumes of business in all the main areas of The very high level of demand for mortgage loans resulted in high

and varying interest rates in the market place, and a proliferation of different types of accounts on offer to investors. We believe there is an urgent need for order to be restored and, by aiming for a simplified range of investment accounts and maintaining our flat-rate mortgage pricing policy, we feel the Woolwich is making a major contribution to the future stability and success

Looking ahead, new legislation and increasing competition will open up new markets and areas of activity for us, particularly in the provision of a wider range of financial services. The Woolwich sees its primary role as being in the field of housing and home-related services generally, and we will attempt to provide the enhanced and new services our customers require-within this context. We hold the firm belief that simplicity is the key to the Society's continued success, and to its ability to meet the challenges of the years ahead.

If you're really with it-you're with the Woolwich

Extracted from the Statement made by the Chairman, Mr. Alan Mr. Lintock, C.A., to the 137th Annual General Meeting of the Woolwich Equitable Building Society held on 18th December 1984. Copies of the Annual Report and the full text of the Chairman's Address are

Equitable House, London SE18 6AB.

available from the Secretary,



cement appears as a matter of record only

DECEMBER 1984



Rights Issue of 58,023,868 New Shares of S\$1.00 each at a price of S\$4.00 per share

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BAIWA SINGAPORE LIMITED

GENERAL SECURITIES INVESTMENTS LIMITED

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DAIWA SINGAPORE LIMITED OVERSEA-CHINESE BANKING CORPORATION LIMITED POST OFFICE SAVINGS BANK OF SINGAPORE

Industrial & Commercial Bank Limited

Tat Lee Bank Limited nale de Paris (South East Asis

Four Seas Communications Bank Limite Korgan Granieli (Asia) Limited

J. Balles & Co. Ple. LkL Frants & Co (Pie) Key Hish & Co. (Pte) K.H. Lim & Associates Pla Lvall & Evet (Pto) J. M. Sassoon & Co. (Pte.) Ltd. Taung & Ong Stockbrokers (Pte) Ltd. ale A Lux

Dreadner (South East Asia) Limited Samuel Montecu & Co. Limited organ Gueranty Pacific Limited ocieted Asian Securities (Pte.) Ltd.

G K Goh Securities (Ple.) Kim Eng Securities (Pte.) LkL Lin Securities (Ple.) Ong & Company Private Limited

Su E-Min & Co. (Stockbrokers) Pte.

Security Centres 'talks on the future' as chief quits

Security Centres Holdings wili be seeking its third chairman in two and a balf years following

two and a balf years inllowing the resignation yesterday of Mr Brian O'Connor from the board of the burglar and fire alams group.

Mr O'Connor succeeded Mr Stewart Jamieson in the summer of 1982 but last week Mr O'Gonnor announced his resignation from the board of Aitken Hume, the financial services group which advises Security Centres. He also left the board of Leisuretime, the quoted hotels tion from the board of Aitken Hume, the financial services group which advises Security Centres. He also left the board of Leisuretime, the quoted hotels and travel group which is connected with Aithen Lump.

and travel group which is coo-nected with Aitken Hume.

No reason was given for the chairman's departure from Security Centres but the group sald that is would be giving "bigh priority to the creation of a new management structure."

Mr Tom Forrest will be staying on in his current position as on in his current position as managing director but the appointment of a new chairman

is "under active consideration."

Other steps to be taken include "new measures to strengthen the finances" of Security Gentres and "discussions on the future of the group will take place termediately with will take place immediately with leading institutional share-bolders." The largest nutside share-

Ladbroke buys

Comfort stake

Mr Cyril Steln, chairman of Ladbroke, said that the purchase of the shares puts Ladbroke in

a "very strong position indeed both from the point of view of

achieving an overwhelming acceptance following the posting of our offer document this week,

Auto Security rights

Anthonisec

2,685,000

2,700,000

13,000

4th January, 1985, from:

P.O. Box 521,

from Intasun

BOARD MEETINGS

Office which recently disclosed a 7.5 per cent interest.

7.5 per cent interest.

Security Centres affirmed that the acquisition of Defence Services will proceed as planned and that the vendor, Mr Alastair Morrison, will join the board.

But there was no mention yesterday of the proposed sale of the UK alarms operation to Automated Security (Holdings). The announcement at the end of last month that Security Centres was prepared to sell for £8.5m was prepared to sell for £8,5m has pushed the share price down from 230p to 162p yesterday. after 155p.

The planned disposal marked over 20 years. Net worth as a distinct change of direction for balance sheet was £15.04m be Security Centres which bad minority interests of £10.9m.

Finals—Chemring, Crysisisis, Flex-silo Cestors and Wheels, Pict Petroleum, C. A. Sparari (Spacial Agency), Stainless Metalcraft, Wast-land.

FUTURE DATES

Daily Meil and Ganoral Trust ... Jan 11

holder is the Kuwait Investment bitherto been embarked on a long trail of acquisitions ever since Mr Jamiason injected bls security

Mr Jamiason injected bls security business into St George Assets, the Sri Lankan plantadons "shell," early in 1979.

Taxable profits had risen from £210,000 to £43m in that period while earnings per share had increased from £42p to 17.06p by the year to March 31 last.

But the balance sheet showed a net current liability of £5.3m while fixed assets contained £25.75m of intangibles. Largely. £25.75m of intangibles, largely made up of customer alarm con-tracts which Security Centres amortises on a straight line basis over 20 years. Net worth as per balance sheet was £15.04m before

Baring to pay £7m total in fund management deal

The directors of Intasua Leisure Group have announced that in view of the rerommended f71m offer from Ladbroke Group fund management group, will receive £6m from Baring Brothers for its balf-share in their jointly-owned Far Eastern venture, Henderson Baring Management. frim offer from Ladbroke Group for Cnmfort Hotels, it intends to lapse its offer for Comfort. A subsidiary of Morgan Gren-fell, acting in concert with Lad-broke, bas acquired 9.34m indiany Gomfort sbares, repre-senting 14.95 per cent, from intasun, at 85p per share. Under the terms of the deal,

first announced in November and now agreed subject to approval by Henderson sharebolders. Henderson will also get a 1984 dividend of US\$1.2m (film) from

the Hong Kong-based company.

HBM manages funds totalling £1.46bn. Henderson plans to take over management of £424m of units trusts itself once it bas assembled a new team of three

managers, to be based initially in London but still concentrating on the Far East. Baring plans to rename HBM

as Baring International Invest-ment Management and to keep its 70-strong staff intact. It will be responsible for all of the Baring group's specialist investment management in the Far East and for Far Eastern and European equity investment on behalf of clients from North America and Japan.

HBM plans to launch a range of unit trusts including Far East specialist funds in the near future.

Acquisition helps Hawtin

on our ouer document this week, and also because any possible predator will obviously be dis-suaded by our baving committed to us such a large part of the equity." An encouraging contribution has been made to group profits at Hawtin by Gul Wet Suits, acquired last March. For the 12 months to the end of September pre-tax profits amounted to £1.09m on turnoverd of £16.55m, Of the 14,781,907 new preference shares offered by way of rights by Auto Security (Holdings), 13,852,511 shares (93,71 per cent of the total) bave been taken up and the remainder sold at a premium. against £606,000 before tax on turnover of £9.39m for the eight-month period to end-September 1983.

and in compliance with the requirements of the Council of The Stock Exchange. It

does not constitute an invitation to the public to subscribe for or purchase any shares.

HAWLEY GROUP LIMITED

Share Capital

in Common Shares of US \$0 01 each

in Deferred Shares of US\$0.01 each

Pursuant to Schemes of Arrangement under Section 206 of the Companies

Act, 1948 of Great Britain and Section 99 of the Companies Act 1981 of Bermuda, respectively, Hawley Group Limited ("the Company") has become

the parent company of Hawley Group PLC and Electro-Protective Limited.

Application has been made to the Council of The Stock Exchange for the Common Shares of the Company to be admitted to the Official List. Particulars

relating to the Company are available in the Extel Statistical Services. Copies

of the statistical card may be obtained during normal business hours on weekdays (excluding Saturdays and public holidays) up to and including

Barclays Merchant Bank Limited,

Capel-Cure Myers

Holborn Viaduct Londoo ECIA 2EU

Bath House.

at a premium.

The net proceeds of sale will be distributed to shareholders whose rights were not taken up.

A single dividend of 0.375p net is recommended, compared with 0.25p. Earnings per 5p share are shown as 1.62p (0.95p).

The group bas adapted to diffi-cult trading conditions, say the directors, and turnover bas increased in manufacturing and wholesaling with correspondingly improved profits.

Increased demand for indus trial ciothing and safety products rected by the division's con-tinuing improvement and a new depot bas recently been opened in Goventry.

The charge for tax came to 1207,000 (195,000).

Issued US \$

12,000

1,941,733

1,953,738

Grovebell adds 7.5p to Atlanta offer

By Alexander Nicofl

Mr Vasant Advani's Grovebell Group yesterday added 7.5p per share to its equity and cash offers for Atlanta Investment Trust, which made no immediate

Mr Advani, chairman of bte vehicle distribution and financial services group, said the bid was increased in deference to Atlanta's share price. We want to finish the whole thing off before Christmas,"

For every two Atlanta shares, accepting shareholders would get 15p in cash in addition to the

isp in cash in addition to the previous offer of 17 Grovebell shares. The cash alternative is increased to 135p per Atlanta shere from 127.5p.

At Grovebell's unchanged closing price yesterday of 163p, te sbares plus-cash offer values Atlanta shares at 150p each. Atlanta sained 4p to 139p yesterday.

Grovebell's initial offer won acceptances represending 26.1 per cent of Atlanta's ordinary equity. It said the increased offer represents a 22.8 per cent premium over Atlanta's net tangible asset value.

Full listing for Framlington

Framlington, the unit trust and financial management group which joined the Unlisted Securities Market in May 1983, bas applied for a full listing on the Stock Exchange.

The company has around 40 per cent of its capital beld by the public, the minimum allow able by the Stock Exchange before application for a listing is accepted.

is accepted.
Framlington bas grown fast since going public, increasing funds under management from £153.3m to £250.5m and the number of unit-boldings from 35,400 to £2,000.

Its latest new funds the Japan

Its latest new funds, the Japan and General Fund and the Far East Fund bave brought the total number under management

total number under management to 12. Framilington has established two new subsidiaries;
Unit Trust Software and Framlington Life Insurance.
Unit Trust Software, 51 percent owned by Framilington and 49 per cent owned by Simulex, will market software for unit trust management companies. It offers programmes for unit trust savings scheme and unit trust dealings. dealings.
The Life Assurance company

will compete directly in the self employed market.

Samuel Props £7m purchase

Samnel Properties is paying f7m to acquira the freehold interests of three office blocks.

The property company is to purchase 4.7 Ghiswell Street, a 34,000 sq t City of Loodon office building and 153,161 The Broad-live which have been conditionally position as the fastest growing

34,000 sq ft City of Loodon office building, and 153-161 The Broadway, Wimbledon, an office and retail investment, for a combined total of £3.9m. The acquisition is to be satisfied by the issue of 2.74m ordinary shares in Samuel. In a separate deal, Samuel is to pay £3.1m for Westway House, a modern 32,000 sq ft office building in Greenford, Middlesex. The purchase entails the issue of 2.18m ordinary shares.

CEI £1.6m acquisition

Cambridge Electronic Indus tries has conditionally agreed to acquire Analytical Accessories for fl.6m in sbares.

Analytical trades under the name SPEGAG and operates in the field of infra red spectroscopy and bigh precision optical systems. It supplies both systems. standard standard products and specialised services in the laboratory instrumentation market, and has experienced

steady growth since it was founded in 1970. It also engaged in a number of new developments in the field of advanced optics, comple-

field of advanced optics, complementary to the laboratory light source and laser technology of Cathodeon, an existing wholly-owned subsidiary of GEI.

Analytical's pre-tax profit for the year ended May 31 1984 amounted to £297,000 oo turnover of £1.8m. Net tangible assets at that date were £643,000.

Fergabrook to buy Clifford

Group, distributor of toys, inflatable goods, toiletries and leisure goods, bave entered into a conditional agreement to acquire Clifford E. McGnire, trading as Clifford Enterprises.

The consideration is to be satisfied by the issue of 1.6m new ordinary 20p shares of the group. The issue represents 9 per cent of the enlarged issued capital of Fergabrook and the vendors have undertaken to retain 960,000

undertaken to retain 960,000 shares for at lesst 12 months. Fergabrook also intends to acquire freehold premises at acquire freehold premises at Units 3 and 4. Weir Road Industrial Estate. These premises offer 38,860 square feet of warehouse and office space. The consideration is £1.73m and will be satisfied by a cash payment of £730.000 obtained from the group's existing back facilities

Becorit (GB), a subsidiary of Steel Brothers Holdings, has bought the assets of Robert Hndson (Raletrux) from the liquidators. Robert Hudson makes railed vehicles and efficent treatment plant.

Aeronautical and General accepts £13m Swiss bid

BY RAY MAUGHAN

THE BOARD of lAeronantical and General Instruments (AGI) yesterday accepted a £13.4m cash bid from Landls and Gyr, a Swiss group which like AGI, is engaged in telecommunications

equipment manufacture.

With irrevocable acceptances from funds managed by Rea Brothers, the bid ts effectively a shut-out since undertakings to accept have been received for 48.1 per cent of the equity. The bid value is 330p per share, which is short of the market's most optimistic expectations,

most optimistic expectations, and the price closed yesterday at 30p, down 15p.

The bid has been made through the UK arm of Landis & Gyr AG, a multinational which turns over the equivalent of more than £400m annually. It describes itself as "the world's leading producer of electricity

meters" and also produces a range of sophisticated environ-mental control and energy management systems, together with products used in advanced areas of telecommunications.

AGI is best known for its blue

payphones, supplied to British Telecom, which it makes under a licenca from Autelca, a subsidiary of another Swiss company, the Hasler telecommunications group.

Landis & Gyr also produce.

the holographic pey phone card operated system which is being installed by British Telecom. It believes that merger of comple-mentary telecommunications believes that merger of comple-mentary telecommunications businesses sbould provide a significant commercial advan-tages, with particular emphasis on the expansion of research and development and further expansion in world markets,

Marshall's Universal may sell E. Africa businesses

BY CHARLES BATCHELOR

a company which contacted Marshall's during the course of the abortive Grovebell takeover attempt attracted by the pub-licity created by that bld, Mr John Oliver, Marshall's managing

Marshall's Universal, the vehicle distributor and paper merchant, which earlier this year fought off a £6.5m takeover bid from Grovebell, a motor trade finance group, may sell its East African interests.

Marshall's announced yesterday that discussions are taking place.

The approach bas come from a company which contacted Marshall's during the course of the abortive Grovebell takeover.

Marshall's Laiversal, the vehicle panies in Kenya and Tanzania and Tanzania.

panies in Kenya and Tanzania and Tanzania in Kenya and Tanzania.

Tanzania.

These businesses bave performed well, but Marshalls would be happy to sell at the right prica to avoid the highly volatile market conditions in which they operate, Mr Oliver said.

Marshall's shares was in director, said. Grovebell is not involved this time, however.

The motor vehicle distribution and components distribution and manufacturing com-

Glass Glover expands interests in Scotland

Glass Glover Group, food dis- asset value, £2m will be satisfied tributor and fresh fruit and by new Glass Glover shares at vegetable importer is acquiring market value at the time of com-for £3.1m Rankins Fruit pletion. The balance will be

for £3.1m Rankins' Fruit Markets.

Rankins was established in 1929 and currently trades as importer, wholesaler, and retailer of fruit, vegetables, flowers and florists' sundries in the Edinburgh area, in its own name, as Andrew S. Cark & Co, and as Central Flower Market.

Of the consideration, which approximates to Rankins' net pletion. The balance will be cash. For the year ended August 31.

BIDS AND DEALS

placed on behalf of the vendors by Southend stockbrokers with various institutions.

Townsend, a private Birming-ham-based property management ham-based property management coocern, showed net rental inrome from residential properties of £15.582 for the year ended May 31 1984 while pre-tax profits amouoted to £7,775. Net assets are £113,771, including freehold property of £46,500 at cost.

The acquisition is dua for completion on December 21.

Whitbread has acquired the outstanding 45 per cent of shares in Highland Distillers Corp, of Republic of China.

brand in this category." Whitbread says.
Highland will be operated a

a division of Whitbread North America.

British Electronic Traction Company's transport subsidiary, United Transport International, has acquired a 30 per cent share in Citybus, a small bus company in Hong Kong. UTI bas com-mitted £0.5m (including an initial loan) for the take with an option to take a controlling share. Citybus has won a licence for a service into tha People's

Royex sets terms for a merger with Pezamerica

BY KENNETH MARSTON, MINING EDITOR

in Pezamerica.

Pezamerica says that prior to

Royex Gold Mining and Peramerica Resources, two Canadian groups already associated, are pianning to merge with Royex becoming the surviving company.

The terms are three-quarters of a Royex share for each share in Pezamerica.

Pezamerica says that prior to Royex takes

in Pezamerica says that prior to the "combination," each of its shareholders would receive a warrant to purchase from the company's portfolio one share of International Corona Resources for every four Pezamerica shares held.

The purchase price for International Corona sbares would be CS7 (445p) and the warrants would have a life of five years. After the "combination" and warrant issue, which are both subject to approval, Pezamerica sharebolders will own about 33 per cent of Royex.

Meanwhile, Pezamerica and production by mich-1885.

Other interests of Royex take in assorted gold exploration projects and developing mines in North America. They include the Cullaton Lake mine, 50 per cent of Royex and 52 per cent of Mascof Mines. Say per cent of Royex and the issue of additional Royex shares as a result of the merger would reduce this stake to approximately 30 per cent through capital injections or market purchases.

Samantha makes further attempt for Temora stake

THE Samantha-Samson partnersbip is making another attempt
to purchase a 25 per cent stake
in the promising Temora gold
deposit near Wagga Wagga in
Naw South Wales, Australia.
At present 75 per cent is beld
by the BP-Seltrust group. An
earlier move by SamanthaSamson to acquire the remaining
25 per cent from a private 25 per cent from a private
Australian group was thwarted
by BP, which indicated that it
would exercise its pre-emptive
right to buy the outstanding

ciated Barrack Mines while a further ASL51m will be bor-rowed from a major European bank.

BP has already declared its intention to acquire the debts and non-gold assets of the 75 per cent-owned - Seltrust Holdings. Public shareholdersh ave been offered the choice of a share and option package in a new company to hold the gold interests—including Temora—or 54 cents (about 35p) per Seltrust share in cash.

right to buy the outstanding interest in the property.

Since then, Samantha-Samson has entered into an option agreement with the vendor which they now intond to axercise. This will be funde by an issue of AS1.28m (£901,000) of Samantha shares to the asso-

MINING NEWS IN BRIEF

Essistion (UK) has decided not to exercise its option to purchase Hemerdun Mining and Smeiting's 50 per cent interest in the Remerdon Ball tungsten and tin project near Plymouth. The other half of this potential mine in Devon is owned by the U.S. Amax diversified natural resource group.

Earlier this year planning permission for the proposed mine was refused by the Department of the Environment although it was accepted in principle that the was accepted in principle that the deposit should be exploited. It was suggested that an amended scheme be submitted that would overcome the compelling environmental objections and the joint venture partners expect soon to be in a position to submit a modified application.

Malaysia's Berjuntal Dredging reports an unandited net profit for the six months to M\$2.33m (£930,000), equal to 8 cents a share, against M32.7m a year ago. The interim dividend is reduced to 12 cents, from 14 cents, payable on January 31.7

Broken Hill Proprietary (BHP) is extending its U.S.\$6.10 (511p) per share bid for Energy Reserves Group (ERG) from December 14 to December 21. So far some 89 per cent of the ERG shares have been acquired.

Western Australia where it can 12 per cent loan stock.

The Royal Dutch Shell group's earn up to a 51 per cent interest. Billiton (UK) has decided not to This would leave the other exercise its option to purchase interests at: West Coast Holdings (24.5 per cent). Carr Boyd Minerals (12.35 per cent) and Hill Minerals (12.25 per cent).

Denmark's major group of power plants has decided to phase out its South African coal imports by 1990 under domestic parliamentary pressures. The Elsam group, which takes about two-thirds of Denmark's annual ametimport of South 3m tonnes import of South African coal, said the switch to other suppliers would eventually increase the electricity bill of the average household consumer by Kr 256 to Kr 500 (£240) rear. ___

West Midlands County Council bas reduced its bolding in Asset Special Situations Trust by 100,000 ordinary to 850,000 (about 8.5 per cent).

The Metalrax Group is buying G. S. Smart Co., a Birmingham-based manufacturer of metal occasional furniture, garden chairs and tables for sale to in cash and shares.

Plantation and General Investment has purchased a further 458,333 ordinary shares and December 14 to December 21, 498,383 ornmary snares and So far some 89 per cent of the £10,000 of 13 per cent unsecured loan stock 1991 in Telfos Holdings. This increases its bolding BHP has also farmed into the to 3.97m (62.9 per cent) ordinary nonybrook gold joint venture in and £242,400 (28 per cent) in 12 per tent loan stock.

18th December, 1984:

STRA. A

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These securities have been sold outside the United States of America and Japan, This announcement appears as a matter of record only.

NEW ISSUE



ALLIED CORPORATION

Japanese Yen 10,000,000,000 63/4% Bonds Due December 1, 1991

Issue price 100 per cent.

Nomura International Limited

Credit Suisse First Boston Limited

Algemene Bank Nederland N.V. Banque Bruxelles Lambert S.A. Deutsche Bank Aktiengesellschaft **IBJ** International Limited

Orion Royal Bank Limited Sumitomo Finance International

Morgan Guaranty Ltd

Salomon Brothers International Limited

Bank of Tokyo International Limited Daiwa Europe Limited Dresdner Bank Aktiengesellschaft LTCB International Limited The Nikko Securities Co., (Europe) Ltd. Société Générale

Swiss Bank Corporation International Limited Union Bank of Switzerland (Securities) Limited

Yamaichi International (Europe) Limited

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19th December, 1984

London EC3V 0EA.

GROUP plc

(Incorporated in England under the Companies Acts 1948 to 1967 No. 1237167)

SHARE CAPITAL

Authorised Issued and fully paid £625,000 Ordinary shares of 25p each £500,000 Application has been made to the Council of The Stock Exchange for the whole of the issued share capital of Framlington Group plc to be admitted to

the Official List. The Ordinary Shares of the Company have been traded on the Unlisted Securities Market (USM) since May 1983.

Particulars relating to the Company are available in the Extel Statistical Services and copies of such particulars are available during normal business hours on any weekday (excluding Bank Holidays) up to and including 14th January 1985 from:

Laurence, Prust & Co. Basildon House, 7/11 Moorgate, London EC2R 6AH.

The directors of Fergabrook Group, distributor of toys, inflat-

and by the Issue of 1m new ordinary 20p shares.

NEW YORK STOCK EXCHANGE 22-23 AMERICAN STOCK EXCHANGE 23-24 U.S. OVER-THE-COUNTER 25, 34 **WORLD STOCK MARKETS 24** LONDON STOCK EXCHANGE 27-29 UNIT TRUSTS 30-31 COMMODITIES 32 CURRENCIES 33 INTERNATIONAL CAPITAL MARKETS 34

SECTION III - INTERNATIONAL MARKETS

FINANCIAL TIMES

Wednesday December 19 1984

Hopes on interest rates boost **Eurobonds, Page 34**

WALL STREET

acrica .

IN BRIEF

Dip in Fed funds fuels price surge

THE growing conviction that the Federal Reserve is in the process of easing credit policies once again provided the spur for an advance by Wall Street stock markets yesterday, writes Terry Byland in New York.

Spurred by a fresh dip in the federal funds rate, stock prices surged higher in heavy trading from the moment the market opened. The Dow Jones industrial average was 13 points up within 20 minutes, and the New York Stock Exchange prices tape ran 10 minutes late as traders struggled with the flow of buy orders from private investors.

Stock prices turned higher again at mid-session, when Bankers Trust fol-lowed the lead of Manufacturers Hanover by cutting its prime rate to 10% per cent. The other money centre banks were expected to follow suit, and a reduction in the Federal Reserve's discount rate, currently at 8% per cent, was widely predicted.

The afternoon saw stock prices surg-

and the highest closing level since November 12. Turnover at 169.06m was the highest sioce the August upsurge, although well short of the 236.8m peak. IBM, Ford Motor, General Motors and General Electric were among the bost of issues to record turnover exceeding 1m shares. The American Stock Exchange traded 1.1m American depositary re-ceipts of BATS, the UK tobacco group which is selling its cosmetic division to

Utility stocks, the immediate beneficiaries of lower interest rates, came in for renewed buying support. The slide in world and U.S. oil prices also pushed airline stocks ahead, adding nearly 10 points to the Dow Transportation average in early trading. Semiconductor issues were strong, and the conviction that the Fed would act to reinvigorate the economy, boosted a wide range of in-dustrial stocks. IBM jumped \$4% to \$123%, and General Electric at \$56% put

Defence stocks surged higher after President Reagan disclosed plans to cut only \$28.1bn from defence spending over the next three years - substantially less than the most pessimistic forecasts.

Among the heavy ticket issues to rise sharply were General Motors, \$1% higher at \$77%, Ford \$1% up at \$46%, Honeywell \$2% up at \$61%, United Airlines \$1% higher at \$45% and RCA \$1% better at \$36%.

Texas Instruments jumped \$5 to \$116% after the Pentagon ruling on testing problems with the company's microchips. The ruling places the onus for re-testing microchips on the prime contrac-tors. Manufacturers of the testing equip\$2% up at \$26% and Genrad, \$1% higher

There were gains in stocks of other semiconductor issues, which are expected to benefit quickly from any reinvigoration of U.S. industry. Motorola gained \$2% to \$34% and National Semiconductor at \$12% gained \$1%.

Phillips Petroleum fell \$1% to \$52% on the continued delay in the Pickens bid saga. After announcing it was seeking the possible sale of its energy business, Pioneer rose \$2% to \$32%.

In the credit markets, federal funds opened at 7%, and Treasury bill rates came down by a further 13 basis points. A move by the Fed to drain reserves with overnight matched sale-purchases, when federal funds stood at 7% per cent, had only temporary effect and the funds

later dipped to 6½ per cent.

Banking certificate of deposit rates fell by up to 35 points, helped also by reports that the federal authorities might act to remove uncertainties over Government insurance coverage.

Bond prices were a point higher be-fore the market opened, and pauses for profit-taking were brushed aside. Traders were positioning themselves ahead of a discount rate cut, which might come either this week or immediately after the Christmas break. The key long bond closed at 1031/12, a net gain of 5/12.

LONDON

Reluctance to retreat from peaks

STERLING's fall to the worst ever level in exchange rate index terms effectively dampened investment enthusiasm in

London stock markets yesterday.

Leading equities, however, showed a marked reluctance to retreat from their current record levels and even recentlybeleagured government securities managed a good recovery from the session's lowest levels.

The FT Ordinary share index, which was marginally easier at all six interday calculations, closed a net 1.6 up on the day at a best-ever 939.9.

Gilt-edged quotations fluctuated ner-vously with longer-dated stocks moving from 14 up to a oet 1/2 down ahead of a marginally better than expected Public Sector Borrowing Requirement for No-vember. Long dated gilts later regained their losses, while the sborts reduced falls to minimal amounts.

Chief price changes, Page 24; Details, Page 25; Share Information Service, Pages 27-29

HONG KONG

A LATE round of profit-taking erased early advances in Hong Kong although a continuation of demand by small investors cushioned the impact of institution-

The Hang Seng index, up almost 6 points at the end of the morning session, ended 0.29 lower at 1,166.13 - bringing to a halt the rally which had seen the measure advance almost 50 points over the previous three trading sessions.

The consolidation was led by the recently favoured property sector, which featured Hutchison Whampoa, 10 cents lower at HK\$17.20.

AUSTRALIA

Prev 560.90p

90.64 90.70 90.52 90.38

107-28 108-00 107-17 107-31

534.50p

\$27,50

£1,125,50 £1,105.75

£2,222.00 £2,241.50

COMMODITIES

Silver (spot fixing)

Oil (spot Arabien Light)

Copper (cash)

Coffee (Jan)

A WEAKER tone was seen in Sydney with gold shares leading the decline in line with sharp falls in international bullion prices. The All Ordinaries index fell 6.2 to 706.1.

Trading was dominated by sales of Elders IXL shares which ended down 12 cents at AS3; the Bell Group confirmed that its subsidiary bad sold 13.4m of the shares after the speculation last week that it was planning a takeover.

SINGAPORE

CONCERN over the future role of the Malaysian Chinese Association as part of the ruling National Front coalition undermined share values in Singapore. The Straits Times industrial index fell hack below the 800 level, down 10.08 at

792.28. Volume, however, remained thin, although falling issues outnumbered rises by 23 to 1.

United Overseas Bank was actively traded, shedding 6 cents to SS4.14 while Pahang dipped 2 cents to 99 cents

SOUTH AFRICA

GOLD shares closed easier in Johannesburg, in line with the lower international bullion price with Western Deep down R1.75 at R66.75.

Diamond share De Beers slipped 2 cents to close at R8.14, having recovered from a day's low of R8.05.

Mining and other financials were easier and industrials were also mostly lower after a quiet day.

CANADA

EXPECTATIONS of lower North American interest rates in the wake of prime rate cuts seen in the U.S., fuelled a sbarp advance io share values in

Gold stocks, however, under pressure from declining international bullion prices, continued their downward spiral. In Montreal, however, shares were **EUROPE**

Lower rates underpin the banks

THE PROSPECT of lower U.S. prime rates buoyed most banking shares in Europe yesterday although many cen-

tres were closed before they could benefit from Wall Street's opening rally.

Bargain-hunters dominated thin
Frankfurt trading as investors judged the time ripe to take advantage of some recent losses although the major institu-tions were noticeably absent. The Commerzbank index rose 6.6 to 1,060.0.

Porsche stormed through the DM 1,000 barrier with a DM 25 gain to DM 1,019, although movements of this scale are not uncommon for the car maker. Elsewbere, Daimler scored a DM 4.70 advance to DM 574.50 and VW edged DM 1.10 higher to DM 199.7 ahead of its profit forecast for 1984.

Linde led the engineering sector with its DM 10.40 gain to DM 389.40, while Deutsche Babcock earned a DM 1.80 gain to rise to DM 145.

Stronger banks saw Commerzbank move DM 2.20 up to DM 169.70 and Deutsche Bank finished DM 3 stronger at a close of DM 381. BHF, which made a strong showing in the previous session, moved against the trend with a 50 pfg decline to DM 277.

Lufthansa recouped the losses sustained on Monday with its DM 1.20 gain to DM 160.20, just below its high for the

The end of the December trading account prompted private investor sales in Paris, while stagnant domestic household consumption in November added to

the bearish tone.
Foods suffered the most. Trading in Générale Biscuit was suspended as it hit. a low of FFr 915, down FFr 76 from the previous session, while BSN moved oear its low for the year with a FFr 20 drop to FFr 2,410. Lesieur, still facing a block into the Spanish edible oils market, hit a 1984 trough of FFr 845, a fall of FFr 32.

Banks proved one of the few hright spots although Credit Foncier de France slipped FFr 26 to FFr 625. Matra lost all of its Monday gain by

falling FFr 30 to FFr 1,745, while in cars Peugeot continued to encounter profittaking after last week's gains. A mixed to slightly higher Brussels

saw scattered gains in most sectors.
Non-ferrous metal stock Asturienne gained BFr 6 to BFr 912 following the reorganisation of Asturienne France, in which Vielle Montagne, BFr 130 down at BFr 5.160 will take a 51 per cent stake.

Petrofina continued to weaken in line with the uncertainty in world oil prices but yesterday's BFr 20 fall to BFr 6,990 took it below the BFr 7,000 for the first time in nearly a month.

Utilities, likely to henefit from lower interest rates, firmed with Intercom BFr 15 up at BFr 2.120 and Unerg BFr 20 higher at BFr 1,635. The stock exchange index slipped 0.01 to 157.73.

Banks made further progress in thin Amsterdam trading with ABN leading with its Fl 6.50 advance to Fl 363 and AmRo settling FI 1.50 stronger at FI 85.90.

Boskalis moved lower for the fourth straight session with a new fall of FI 1.20 to FI 14.10. KLM extended the gains made on Monday with an additional Fl 3.50 advance to Fl 46.60 - a high for the year - partly stemming from lower fuels cost expectations.

Nedlloyd fluctuated during the day with an early gain of 40 cents being reversed by the close to finish 80 cents down at FI 160.60.

Bonds gained up to 20 basis points with most activity confined to profes-

sional traders. End-of-year caution featured in a

slightly weaker Zurich with some sharper price movements attributed to chance accumulations of orders. Large banks fared well with Union

Bank SwFr 5 up at SwFr 3,560 while Bank Leu resumed its recent downward trend with a SwFr 20 decline to SwFr Landis & Gyr moved SwFr 20 higher

to SwFr 1,520 after last week's forecast while Hoffman La Roche bit another low for the year with a SwFr 375 drop to SwFr 66,000. Nestle held steady at SwFr 5,450 after

its German huying spree while Swissair, SwFr 15 down at SwFr 1,005, moved against the recent trend among European airlines.

Steels were the only weak spot in a husy Madrid which saw hanks recover more of their recent losses. Banco Hispano Americano firmed 5 points more to 162 per cent of cominal value and Banco Popular gained the same amount to 375 per cent.

Telefonica regained more confidence with a 1.6 point rise to 94 per cent.

Milan turned firmer near the finish

with Mediobanca rising L1,200 to L65,600 and Fiat moved L4 higher to

Stockholm recovered from an early decline with Volvo firming SKr 4 to SKr 249, although Swedish Match eased a further SKr 1 to SKr 249 after its joint venture with Rauma-Repola.

A mixed Oslo saw a measure of recovery in Norsk Hydro, up NKr 6.50 to NKr 101.50 ex-all.

and the second s

Advance against the odds

DESPITE profit-taking in blue chip stocks and rapid turnover of incentivebacked issues, share prices closed slightly higher, unites Shigeo Nishiwaki of Ji-

The Nikkei-Dow market average fluctuated slightly for most of the day to finish 4.54 up at 11,400.21. Volume was 321.67m shares, up slightly from Mon-day's 269.29m. Falls outnumbered ad-vances by 384 to 361, with 164 issues un-

Blue chips had provided a glimmer of hope in Monday's otherwise dull market, but many weakened under profittaking as many investors were unsure what stocks would be favoured in the

Another dampener was continued net foreign selliog. Overseas sell orders placed with the big four securities

houses yesterday morning outpaced buy orders by 20m shares to 12.5m. Although most quality issues lost strength, Asahi Glass continued to find

buyers. Ranking sixth among the 10 most active stocks with 6.56m shares traded, it rose Y6 at one stage, but finished unchanged at Y920. Interest also focused on Casio Computer, which firmed Y10 to Y1,830; while Hitachi shed Y2 to Y880 and Pioneer Y60 to Y2,730. Yamanouchi Pharmaceutical, which

led Monday's advance in the sector slipped Y30 to Y2,020 on profit-taking. Other pharmaceuticals gained ground. Toyojozo added Y104 to Y1,060, Mochida Pharmaceutical moved up the maximum Y500 to Y10,700 and Dainippon Pharmaceutical rose Y110 to Y4,810. Some speculative issues rallied sharp-

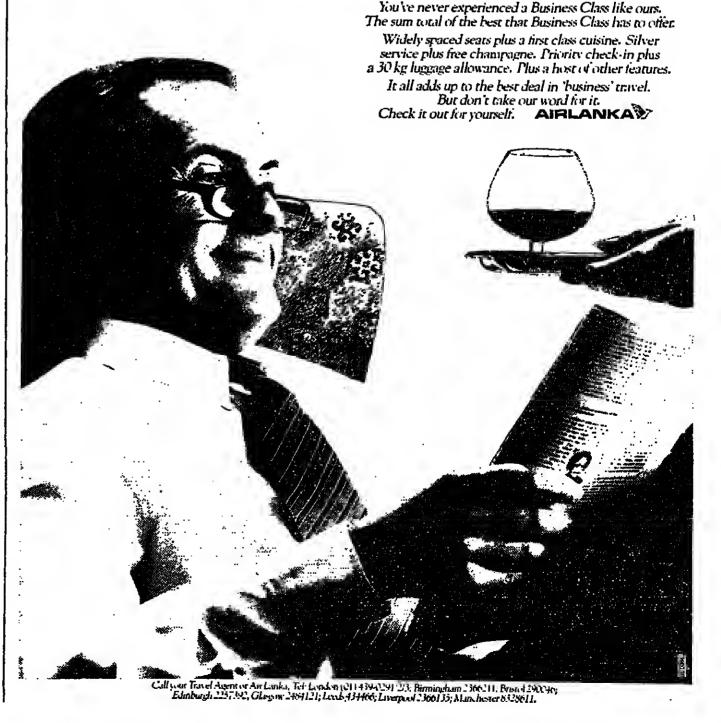
ly as uncertainty over the auditor's report on Nippon Lace's accounts, which had depressed speculative issues in re-

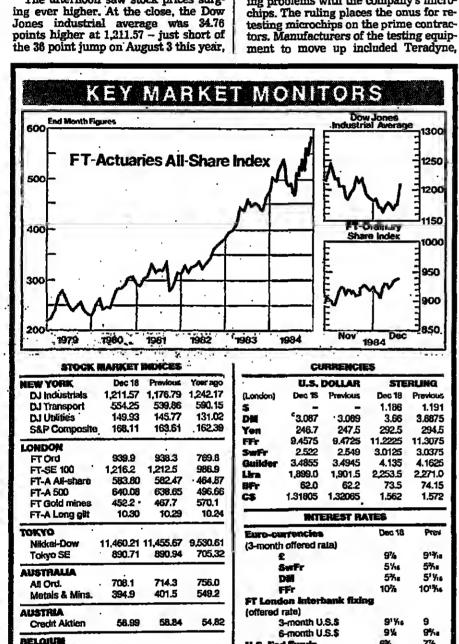
cent days, was dispelled.

Kyokuyo, most active with 13.7m traded, led the rally and gained Y44 to Y306. Pacific Metals and lino Kaiun, also on the active list, climbed Y30 to Y465 and Y74 to Y435, respectively.

The bond market surged oo hopes in tbe U.S. credit market of a cut in the Federal Reserve discount rate. The yield on the benchmark 7.3 per cent government bond, due in December 1993, fell to the year's low of 6.535 per cent from Monday's 6.560 per cent. Many institutional investors were cautious about trading in bonds, bowever.

Air Lanka BUSINESS PLUS. A class of its own.





DJ Inoustrals	1,211.5/	1,1/6./9		(London) Dec E	5 Pres
DJ Transport	554.25	539.86		5	-
DJ Unities	149.93	145.77		DM 53.087	
5&P Composite	168,11	163.61	. 162.39	Yen 246.7	
LONDON				FFr 9.4575	
FT Ord	939.9	938.3	769.8	SwFr 2.52	_
FT-SE 100	1.216.2	1,212.5	986.9	Guilder 3.485	
FT-A All-share	583.80	-		Lira 1,899.0	
FT-A 500	640.08	638.65		BFr 62.0	
FT Gold mines	452.2	467.7	570.1	C\$ 1.31805	1.32
FT-A Long gitt	10.30	10.29			TERE
					1 EIVE
TOKYO		44 455 67	A F00 64	Euro-currencie	
	11,460.21			(3-month offered	rala)
Tokyo SE	890.71	890.94	705,32	2	
AUSTRALIA				SwFr	
All Ord.	708.1	714.3	756.0	DM FFr	
Metals & Mins.	394.9	401.5	549.2		
ALIGNOSA				FT London Inte (offered rate)	4 militar
AUSTRIA Credit Aktien	58.99	58.84	54.82	3-month	
	JU.00		- 	6-month	
BELOIUM				U.S. Fed Funds	
Belgian SE	157.73	157.74	133.87	U.S. 3-month C	
				U.S. 3-month T	
CANADA					
Toronto Metals & Minis	1,878.4*	1.863.8	2,437.0		u.s b
Composite	2,389.1	2,532.3		Treesury	Dec
Mostreal					Price
Portfolio	120.08	117.31	124.01	10% 1986	101
					1042%
DENMARK	10	400.04	100.00		10125
Copenhagen SE	165.54	166.94	199.26	11% 2014	103%
FRANCE				Corporate	Dec
CAC Gen	178.6	180.5	148.6	AT & T	Price
ind, Tendance	119.9	120.4	94.8	10% June 1990	953
	,			3% July 1990	734
WEST GERMANY FAZ-Aktien	372.2	369.69	340.91	9% May 2000	767
Commerzbank	1,080.0	1.073.2	1,007.9	Xerox	
	.,,,,,,,,,,	.,		10% March 1993	
HONG KONG	4 400 40	4 400 40	000 77	Diamond Shamro	
Hang Seng	1,166,13	1,166.42	860.77	10% May 1993	93
ITALY				Federated Dept 9	
Banca Comm.	223.84	219.89	187.88	10% May 2013	87%
				Abbot Lab	
NETHERLANDS	420.0	179.0	147.1	11.80 Feb 2013	96
ANP-CBS Gen	179.9 143.7	1/9.0 143.5	121.5	Alcoa	
ANP-CBS Ind	143.7	143.0	121.0	12¼ Dec 2012	98
NORWAY					
Oslo SE	282.53	281.03	212.19	FINAN	ICIAL
SINGAPORE				CHICAGO	Latest
Straits Times	792.01	802.09	983.49	U.S. Treesury B	onds (
On other Littles				8% 32nds of 100%	
SOUTH AFRICA			044.4	Mar	72-22
Golds	890.9	2/8	841.1 935.6	U.S. Treesury B	
Industrials	922.8	n/a	330.0	\$1m points of 100	
SPAIR				Mar	91.83
Madrid SE	141,65	139.85	119.48	Certificates of	
				\$1m points of 100	
SWEDEN	4 899 00	1 200 54	1,475.44	Mar	91.04
J&P	1,338.00	1,022.54	(141.0.44)	LONDON	
SWITZERLAND				Three-month Ex	
Swiss Bank Ind	381.2	382.8	371,6	\$1m points of 100	
	Dec 17	Prev	Yearago	Mar	90.64
WORLD	_	183.2	179.0	20-year Notions	
Capital Int'l	184.3	1032	179.0	£50,000 32nds of	
201	D (per o	ince)		Mar 1	07–28
		Dec 18	Prev		
		309.25	\$316.25	CC	MMO
London	4				

FT-A Long gitt	10.30	10.29	10.24	_
OKYO				Eur
Nikkel-Dow		11,455.67		(3-п
Tokyo SE	890.71	890.94	705,32	1
USTRALIA	-			
All Ord.	. 708.1	714.3	756.0	
Metals & Mins.	394.9	401.5	549.2	FT
USTRIA				Cotte
Credit Aktien	58.99	58.84	54.82	,
ELOUM				
Belgian SE	157.73	157.74	133.87	U.S.
				U.S.
CANADA				1
Toronto Metals & Minis	1.878.4*	1.863.8	2,437.0	ļ
Composite	2.389.1	2,532.3	2,506.7	Tree
Mostreal				}
Portfolio	120.08	117.31	124.01	10%
ENMARK				12%
Copenhagen SE	165.54	166.94	199.26	11%
				11%
RANCE CAC Gen	178.6	180.5	148.6	Cor
ind, Tendance	119.9	120.4	94.8	10%
				3%
VEST GERMANY	372.2	369.69	340.91	9%
FAZ-Aktien Commerzbank	1,080.0	1.073.2	1.007.9	Xero
	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			10%
ONG KONG	1,166,13	1.166.42	860.77	Diam 10%
Hang Seng	1,100,10	1,100.75	-	Fede
TALY	223.84	219.89	187.88	10%
Banca Comm.	223.04	213.03	107.00	Abb
ETHERLANDS				11.80
ANP-CBS Gen	179.9 143.7	179.0 143.5	147.1 121.5	Alco
ANP-CBS Ind	143.7	143.0	121.0	12%
ORWAY		004.00	212.19	
Oslo SE	282.53	281.03	212.19	
MOAPORE				CHIC
Stratts Times	792.01	802.09	983.49	U.S. 8% 32
OUTH AFRICA				Mar
Golds	890.9	n/a	641.1	U.S.
Industrials	922.8	n/a	935.6	\$1m
PAIN				Mar
Madrid SE	141.65	139.85	119.48	Certi
WEDEN				\$1m
J&P	1,338.00	1,322.54	1,475.44	LONE
				Three
WITZERLAND	991 9	382.8	371.6	\$1m

\$309.25 \$315.00

S307.50

S308.70

New York (Dec)

\$316.84

\$316.25

\$314.00

_	SwFr			51/16	5%a
)	DM			5%	5'46
	FFr			10%	10174
_	FT London Int (offered rate)	orbank	fixing		
2	3-month	USS		917/16	9
_	6-monti			94	9%
	U.S. Fed Fund	-	- 1	6%	7%
7	U.S. 3-month			B.25	8.45
-	U.S. 3-month			7.78	7.92
.0		U.S BO	HDS		
7	Treasury	Dec		Pre	_
яĺ		Price		Price	Yield
<u>"</u>	10% 1986	101	9.79	1002%2	9.97
	12% 1991	1042%2	11.25	1041/2	11.38
6	11% 1994	10125	11.30	101	11.50
-	11% 2014	103%2	11.35	1021%	11.47
	Corporate	Dec		Pro	
	AT & T	Price			
	10% June 1990		11.45		
-	3% July 1990	731/2			10.25
1	9% May 2000	76%	12.19	7 8%	12.19
	Xerox 10% March 198	3 93%	11.70	93%	11.70
- 1	Diamond Shame	ock			
7	10% May 1993	93	11.95	93	11.95
-	Federated Dept	Stores			
8	10% May 2013	87%	12.15	87%	12.15
_	Abbot Lab 11.80 Feb 2013	96	12.30	96	12.30
-	Alcoa 12% Dec 2012	98	12.50	98	12.50
9	FINA	NCIAL	FUTUE	tES	
- 1	CHICAGO	Latest	High	Low	Prev
9 Î	U.S. Treesury	Sonds (C	:BT)		
- 1	8% 32nds of 100				
	Mar		72-24	72-08	71-19
1	U.S. Treesury	11 state			
6	\$1m points of 10		-		
- 1	Mar	91.83	91.92	91.75	91.86
8 J	Certificates of		(1566K)		
- Ì	\$1m points of 10	10%			
ا ۵	Mar	91.04	91.15	91.00	90.85

如此我们最近的情况是我的,不是他不会感到自己也是我们的心理是我们的感觉的,我们我们是我们的人,也是我们的人,我们也不是我们的人,也是我们的人,也是我们的人,也是我们 1965年,我们就是我们的人,我们就是我们的人,我们就是我们的人,我们也是我们的人,我们也是我们的人,我们也是我们的人,我们也是我们的人,我们也是我们的人,我们

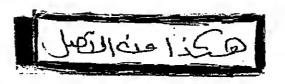
NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

MCMAN MACHAN MAC AARISCA AMERICAN AND TO STATE OF THE STATE O FORCE PROPERTY OF THE PROPERTY Behavi Bennis Be 名下记者:4日日还名119年的名片的现在了11个花桌子里子写过了家一名的同次作用的同类感激的对象的思想的现在分词是我们也的影响 27 37 27 117 27 117 27 27 117 27 27 117 27 27 117 27 27 117 27 27 117 27 27 117 27 27 117 27 27 117 27 27 117 27 27 117 27 27 117 27 27 117 27 27 117 27 27 117 27 27 117 27 27 117 27 27 117 2 CONTROL OF THE PROPERTY OF THE พิธธภัย ซึ่งครามสัตร์เลยสัตร์ ตายอีการที่สิทธิ์ก็สัตร์ เมื่อสัตร์ ซึ่งสิทธิ์ส 1.4 ib 15 is 5.如果我们有一种好说的在我们的的好好的好的的情况的,我们有有的好好的,我们有有的,我们的有什么,我们的有一种的,我们的有一种的,我们的一种,我们的一种,我们的 wit pfC ptA pfD 260 7.1 11 1.76 67 8 240 46 11 3 684 10 中部,即25项目的12项目的2万型项目为中部区域的11999型和自由的数据或数据存储的表现的数据的对应是实现的对应的建筑设施。 148 29 10
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ES 想外说12.为我,后的我也就不是我们的我们的我们的,那么我们的"我想要们我们,我们们的"我们是我了""我们是我们的"我们是我们的",我们们就是我们的我们的,我们们 想作品的多数的最后,我们就是我们的一个,我们就是我们的人,我们就是我们的人的人,我们是我们的人,我们也是我们的人,我们也是我们的人,我们也是我们的人,我们也可以 1995年,我们就是我们就是我们的一个,我们就是我们的人,我们就是我们的人,我们就是我们的人,我们也是我们的人,我们也是我们的人,我们也是我们的人,我们也是我们 在我们上去我们都是你我想到一样可能自然推荐。我们的话说他只有我也不是我们说我的话说在我们还不是我的说话,就是我们的话,我们还可以死的人们也也是我的话题的话题, LANGE BERTHROOM OF STATE OF ST BMC Barrior Ballor Ball FH
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F 即们的明显的好好的体别们的非常代别的的自己的的"XXX"。 为此处约日 我们的什么说话话的对象的话 医牙髓管 医牙门部 Online
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هكذا من النصل

BAT MONTH PROPERTY BENEFIT BEN

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ERICAN STOCK EXCHANGE COMPOSIT

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Desyra 也不好多以外外的我们是我们不不是我的人的 「我我の 12分のおはなるないないのはないないのは KingR Kirby Ks KleerV Knogo Knog Knog 73 32 50 90 41 .40 1.3 17 6 11 196 500 46 9 52 20 1.2 12 O-O-O
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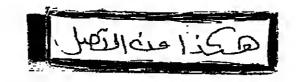
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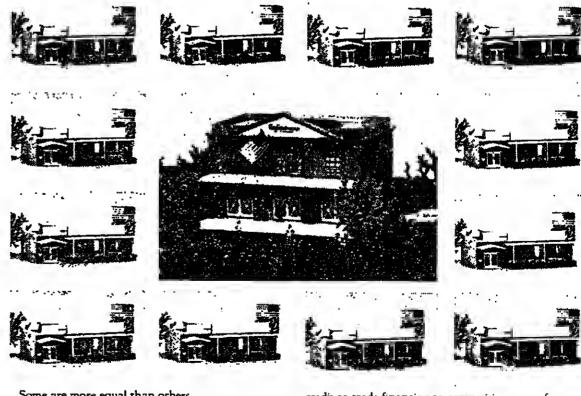
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Reorganisation at Raybeck

RAYBECK has made the financial director of the Ash subsidiery of the Pittsburgh following board chaoges: Mr Ben Group. Mr Graham Hallett has Raven, to addition to his functions as chairman, is now group managing director and Mr Affred Simnas is now responsible for the granular managing director. The groups are responsible for the granular managing director. the group's manufacturing divi-sion. Mr Leonard Druckman, who was recently appointed chief executive of the ladies retail TYRRELL COMMUNICATIONS. division, has joined the board. He was recently seconded as Mr Ian Hnrwood, who for the past six years has been finance munications by Cahle and Mirrotan and director of Harris Queensway, has joined the hoard as director with special responsibility for

Arabian routes to the airline. Mr
Ron Cook, former general Jeremy Fowler, previously chief manager eastern and European routes, has become general mannature. ager eastern routes, with respon-sibility for routes to Saudi Arabia, the Gulf and Hong Kong. He also assumes control of all overseas operations with online and offline markets in the Middle East, Indian subcontinent, Far East and Australasia. Mr Riebard Havers, general manager domestics, hecomes general manager European routes and takes over responsibility for all European routes, and controls overseas operations and online and offline markels in Europe. He continues to retain responsihillty for domestic and commuter

Mr Derek Evans has been ampointed chief executive of INSURANCE BROKERS, After TYRRELL COMMUNICATIONS.

with special responsibility for finance.

**

Management changes have been made by BRITISH CALE
DONIAN AIRWAYS following Boatrie to be group personnel the civil aristic service of the color of the c

with special responsibility for business strategy and the public flolation, planned for the first half of 1986.

flolation. planned half of 1986.

Mr David Atford, past president of the Aluminium Federation, has become a non-executive director and chairman of DEESIDE ALUMINIUM. Other non-executive appointments to company secretary in 1978, playing an active part in BL's resurgence and the subsequence programme to return BL operation. Business Expansinn Fund. and Mr M. J. W. Setters, of Singer and Friedlander.

Mr. Derek Childs has been appointed managing director of appointed managing director of PITTSBURGH CORNING UK.

CCA MICRO RENTALS. PreThe company markels Foamglas markeling director. Mr Smith county he served as group cetlular glass insulation and is a joins bead office in Ipswich

as chief executive of RAC MOTORING SERVICES and RAC



FISONS pharmaceutical divims Friedlander.

* sion has made two board appointMr. Derek Cblids has been ments. Mr Trevor Smith becomes

where he was group persocoel manager. Mr Hindle was presi-dent director general of the division's French operations.

R. F. DEVELOPMENT COM-PANY has appointed Mr A. S. Cheeseman as managing director hecomes chairman.

Mr Peter Tomlinson will be resigning as managing director of REACON RADIO from January I and wil be succeeded by Mr Robert Pierson, currently depuly managing director and programme controller.

Former British Lion and England rugby international Mr David Duckham has joined the TERN GROUP as a director for marketing and sales. He witt spearhead the development of Tern Westero, a division of Constructors Tern, which will be based in Swindon. He was a director of the Espley-Tyas construction group. struction group.

SIBEC DEVELOPMENTS bas finance director.

CONTRACTS

£14m defence order for Graseby

GRASEBY DYNAMICS, a defence contractor in Cambridge Electronic Industries Group, has been awarded a contract for initial production worth over Ethm to supply the MoD with a chemical agent monitor, CAM, based on research work carried out by Government R and D establishments was designed, developed and underwent initial trials in less than three years. During development Graseby was able to draw on its

R and D establishments was designed, developed and underwent initial trials in less than three years. During development Graseby was able to draw on its experience in the detection of explosive gas vapours and had sclentific and technical input from Government departments.

MATTHEW HALL ENGINEER-ING has signed a contract worth around film with Shell UK Exploration and Production, operating in the North Sea on hehalf of Shell and Esso, for the conceptual design of the top-side facilities of Its Elder platform. The platform will be

from January 1. He joins from Boreham Securities, where he was managing director. Mr H. G. Ailen, current managing director,

Mr A. J. Seymour has been appointed director of RED-FEARN NATIONAL GLASS. He is managing director of RN Piastles, a wholly-owned

Mr Gerald Pratt has joined Mr Gerald Pratt has joined HARBEN SYSTEMS as managlng director. Mr Pratt was a
senior executive at the Mining
Research and Development
Establishment of the National
Coal Board, where his responsibilities included the development of specialised htgb pressure

Insurance premium claim fails to justify ship's arrest

GATOIL INTERNATIONAL INCVARKWRIGHT BOSTON MANUFACTURERS MUTUAL INSURANCE COMPANY AND OTHERS House of Lords (Lord Fraser of Tullybelion, Lord Scarman, Lord Wilberforce, Lord Keith of Kinkel and Lord Roskill): December 13

ARREST OF a ship in proceedings allegedly arising out of an "agreement relating to earriage of goods in any ship " is jovalld in both Scot-land and England if there is not a sufficiently direct connection between the contract which is the subject of the elaim and carriage of the goods; and where the claim arises out of an agreement to pay cargo insurance premiums the arrest is unjustified in that there is insufficent conneceion between that agree-ment and the actual carriage.

The House of Lords ao held when atlowing an appeal by Gatoil Internationat Inc. in its action against Arkwright-Boston Manufacturers Mutual Insurance Company and others I" he insurers"), from a decision by the Second Division of the Inner House of the Court of Session. that the insurers' arrestment of a ship, the Sandrina, was incompetent in proceedings arising out of an insurance contract. of an insurance contract.

Provisions relating to Scotiand in the Administration of Justice Act 1956 permit, by section 47, the arrest of a ship owned by a defender to any claim arising out of "121 . . . (e) any agreement relating to the carriage of goods in any ship whether by charter-party or otherwise."

LORD KEITH said that the insurers raised an action against Gatoil, claiming payment of premiums on an insurance policy which they said was effected over a cargo of oil shipped from Iran. In order to found jurisdiction over Gatoil and to obtain security for their claim, they arrested the Sandrina lying in the Shetland Islands, on February 24, 1984.

It was assumed for present purposes that Gatoil was the owner. There was no question of the Sandrina, or any other ship owned by Gatoil, having heen conceroed with carriage of the oil cargo.

Gatoil then raised an action against the insurers, seeking recall of the arrestments. Gatoil denied ownership and pleaded that the arrestmeot was incompetent hecause the insurers? claim was not one of those speci-fied in section 47(2) of the

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Administration of Justice Act

Sheriff Russell, sltting at Aberdeen, allowed a proof on the matter of ownership and held matter of ownership and held that on a proper construction of section 47(2)(e) the insurers' claim fell within its terms. His decision was affirmed by the Second Division of the Inner House, which gave leave to appeal to the House of Lords.

The 1956 Act was passed for the principal purpose of enabling the UK to ratify and comply with the international obligations under the international Convention Relating to the Arrest of Seagoing Ships, signed on its behalf at Brussels in 1952.

Section 47(21(e) of the Act followed verbatim the terms of the corresponding paragraph in the Convention, as dld section the Convention, as did section 47(2)(d)—"any agreement relating to the use or hire of a ship whether by charterparty or otherwise."

In section 1(1)(h) of the Act, relating to England, those two beads of claim were rolled up together—"any claim arising out of any agreement relating to the carriage of goods in any ship or to the use or hire of a ship."

In the Eschersheim [1976] I WLR 430 the House of Lords held that an agreement for salvage services fell within 1(1)(h) because the rendering of those services involved the use of a salvage vessel. Lord Diplock said that the words "an agreement relating to the use or his ment relating to the use or hire of a ship," when given their ordinary wide meaning, included the salvage agreement. In the Sonia S [1983] 2 Lloyd's

In the Sonia S [1983] 2 Lloyd's Rep 63 it was held that an agreement for the hire by shipowners of containers to be used by their customers for packing goods carried on their ships was within section 20(21th) of the Supreme Court Act 1981, which re-enacted section 1(1) of the 1956 Act.

There was one Scottish decision directly in point, the Alfanourios [1980] SC 346. There Lord Wylie held that a contract of marine insurance over ship and cargo did not come within section 47(1)(d) or (e).

Motor Cars

He said at page 349 that "any agreement relatin gto the use... of a ship" had to be construed in the light of other provisions In the subsection as a whole. They included claims arising out of the supply of goods to a ship.

examples.

If the provisions of section 47(11(d) fell to be roadly construed, said Lord Wylle, it was difficult to see how any of them could fail to come within the ambit of "relating to the use of a ship." Accordingly, he said, "a more restricted construction is called for than that which, in iscalation, the words might otherisolation, the words might otherwise bear."

Where provisions releting to England and Scotland in the 1956 Act could be identified as 1958 Act could be identified as having a common derivation from particular provisions of the Convention, they should be interpreted alike in each jurisdiction if that could be done without undue straining of the language. Sections 1(1)(h) and 47(2)(d) and (e) ware in that category, deriving as they did from article 1(1)(d) and (e) of the Convention.

It was necessary to attribute due significance to the circumstancea that the paragraphs spoke of an agreement "in relation 10" not "for," the carriage of goods in a ship and the use or hire of a ship.

The meaning must he wider than would be conveyed by "for." It would, on the other hand, he unreasonable to infer from the words actually used, "in relation to," that it was intended to be sufficient that the agreement in issue should be in some way connected, however remotely, with the carriage of goods in e ship or with the use or hire of a ship.

There was much force in Lord Wylle's view as to the inference to be drawn from the presence of certain other paragraphs in section 47 (2). There must be some reasonably direct connection with such activities. An agreement for the cancella-

An agreement for the carriage tion of a contract for the carriage of goods lo a ship or for use or hire of a ship would show a sufficiently direct connection. It was unnecessary to speculate in what other cases might be eovered. Each case would require to be

decided on its own facts. The contract of insurance in the present case was not conoected with the carriage of goods in a ship in a sufficiently direct sense to be capable of coming within

To the Sonia S there was like-wise an insufficiently direct con-

construction, repelt or equip-ment of a ship and liability for dock charges, to take but a few examples.

nection between the agreement for the hire of containers and the carriage of goods in a ship. That decision was wrong and should be overruled:

Getoll argued that should 47(2)(e) be ambiguous regard should be had to the transact preparatoires for the Convention.

Since any ambiguity could be resolved on e proper construc-tion of 47(2)(e), it was unneces-sary to deal with that branch of Gatoil's argument.

The appeal should be allowed.
LORD WILBERFORCE agreeing that the appeal should be allowed, said that the solution

allowed, said that the solution by interpretation could be reinforced by resort to trusque preparatoires.

In Fothergill [1981] AC 251 it was suggested that two conditions must be suffilled before trusque preparatoires could be used (ceutiously): thet the material was public and accessible; and that it clearly and indisputably pointed to a definite legislative intentino.

legislative intentino.

The case for resorting to the travaux lo the present case was strong. The 1956 Act was enacted to give effect to UK obligations consequent on its accession to the Convention, and in particular to displace in Scotland the wide common law powers of arrestment to favour of statutory provisions which were narrower and precisely defined.

and precisely defined.

The proceedings of the conference which led to the Convention were public and accessible. They showed that the conference decided not to include premia on policies among the maritime claims justifying arrest because it was considered undecessary as a matter of roller. n matter of policy.

Interpretation of the Act was legitimately aided by considera-tion of that extrinsic material. With that reinforcement the appeal must be allowed and the arrestment recalled.

Lord Fraser, Lord Scarman and Lord Roskili agreed with both apeeches. For Gatoil: Gordon Pollock QC

and A. Johnson (Ince and Co.). For the insurers: J. Murray QC and M. G. Clarke Adv (Sin-clair Roche and Temperley).

By Rachel Davies Barrister All their

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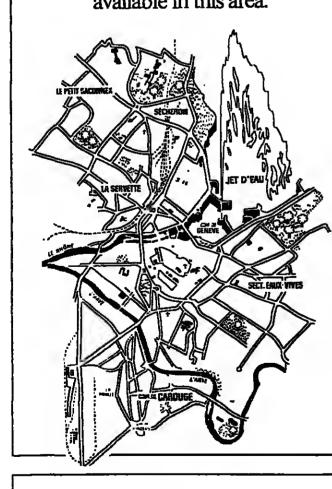
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MINISTERE DE L'ENERGIE ET DEST INDUSTRIES CHIMQUES ET PETROCHIMIQUES (Ministry for Energy and Chemical and Petrochemical Industries):

NOTICE OF NATIONAL AND INTERNATIONAL CALL FOR TENDERS NUMBER: 2050.1M/AD

intermediaries etc, in conformity with the provisions of the Law No. 78.02 of 11 February 1978, with respect to State Monopoly on Foreign Trade.

Offers, of which five (05) copies should be prepared, must be sent in a double-sealed envelope, by registered mail, to the Secetariat de la Direction Approvisionnements (Secretariat, Supplies Division). The outer envelope should not bear any mark that might identify the tenderer or any heading, and should read:

"APPEL D'OFFRES NATIONAL ET INTERNATIONAL NUMERO 2050 1M/AD—CONFIDENTIAL—A NE PAS OUVRIR" (NATIONAL AND INTERNATIONAL CALL FOR TENDERS No. 2050 1M/AD—CONFIDENTIAL—DO NOT OPEN).

Selection will be made within 180 days of the closing date of this Call

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The National Oil Exploration Company is launching a National and International call for tenders for the supply of the following equipment: This call for tenders is intended for Manufacturing Companies only and excludes amalgamations, representatives of companies and any other

Tenderers interested in this Call for Tenders may obtain the specifications from the following address: Entreprise Nationale des Travaux aux Puits (E.N.T.P.), Base les Vergers, Birkhadem, ALGIERS, ALGERIA, Direction des Approvisionnements (Supplies Division), with effect from the date on which this notice is published.

Tenders must be received by 12.00 noon on Saturday 2 February 1985

SWIAL GOORS

AND MALEY SALE

AND MALEY SALE

BENEAU SALE

RELIN SHARE FIXE

Sterling weakness dampens enthusiasm but equity

leaders attain peak levels late

Option

"First Declara- Last Account Dealings tions Dealings Day Dec 10 Dec 20 Dec 21 Jan 7 Dec 24 Jan 10 Jan 11 Jan 21 Jan 14 Jan 24 Jan 25 Feb 4

"New-time" dealings may take place from 0.30 am two business days earlier.

Sterling's fall to the worst ever lsvel in trade weighted terms effectively dampened investment enthusiasm in London stock markets yesterday. Leading equities, however, showed a marked reluctance to retreat from thoir cutrent record levels and oven recently-beluaguered Government according managed a good ment securilies managed a good recovery from the session's lowest levels.

lowest levels.

The oil-weakened pound gave many traders cause to expect a technical reaction following the equity market's recent sustained advinge. On the positive side, though, lower U.S. Prime lending rates were wolcomed and it was hoped that the Federal Reserve Board would soon cut its key Discount rate. key Discount rate.
Dealers encountered scattered

offerings but not in sufficient oize to warrant any major set-back and, with buyers later showing a renewed but highly selective interest, values soon steadiod. Turnovor generally was moderato but business improved in the late afternoon awaiting the U.S. financial mar-

kot's opening.

Wall Street began in a blaze of strength — the Dow Jones index was 13 points up in the first bour — and London was beartened in the after-hours' trade. Currently fashionable ICI led other favourites higher and the FT Ordinary share index, which was marginally easier at all six inter-day calculotions, closed o net 1.6 up on the day at a best-ever 939.9.

Pulled between the ailing pound and stronger U.S. bond prices, Government stocks looked

prices, Government stocks looked to the LIFFE market for guidance. The tone there was just as unsettled and Gilt-edged quotations fluctuated nervously with longer-dated stocks moving from \(\) up to a net \(\) down ahead of the November PSBR of the November PSER announcement, Following last week's sharp rise in money supply, analysts' estimates had been increased so a PSER of £1.84bn was marginally better than expected. The news rekindled buying interest and long Citts later pregimed their losses. Gilts later regained their losses, while the shorts reduced their folls to minimal amounts.

EQUITY GROUPS

& SUB-SECTIONS

wake of BAT Industries' £664m agreed hid for Hambro Life, Insurances displayed small Insurances displayed small irregular movements as excitement cooled. Pearl rose 7 afresh to 980p, but Legal and General slipped 5 to 550p. Sun Lifo continued to attract buyers and firmed 9 more to 774p and Refuge gained 7 to 585p. Equity and Law, however, shed 5 to 268p following the interim dividend announcement. Lloyds brokers drew selective support brokers drew selective support on sterling/dollar influences. British Telecom continued to

public sales were easily absorbed and the price settled only a fraction cheoper at 101½p.

The prospect of an expansion sonthwards by Scottish and Newscottle stimulated some easily absorbed. castle stimulated soms excitement among recently-lacklustre regional Breweries. Blackburn-hased Matthew Brown were viowed as the most likely target and consequently sported 16 to 238p. Wolverhampton and Dudley improved 4 to 264p, while Vaux, helped by a recommendation from ds Zoste and Bevan, hardened 2 more to 253p. The leaders showed scant change on the overnight levels: Whit. castle stimulated soms excite on the overnight levels; Whit-bread eased the turn to 214p following the acquisition of the outstanding 45 per cent of High-land Distillers of California for

7.8m.
The underlying trend in the Building sector remained firm and the leaders made further modest progress. Elsewbere, Renderson Group firmed 4 afresh to 272p in a restricted market, but May and Hassell continued to reflect the disappointing interim results and shed 5 to

94p.
ICI, up 60 over the last three trading sessions in the wake of its major U.S. acquisitioo, paused for breath before moving shead strongly on early Wall Streot influences to touch a record 742p prior to closing a net 10 up at 740p. Laporte moved np 8 to 2 1984 peak of 400p, while Brent Chemicals firmed 3 to 104p.

Dixons rise afresh

Stores again proved to be one of the better corners of the market as investors displayed re-newed enthusiasm for the sector kindled buying intorest and long Gilts later regained their losses, while the shorts reduced their folls to minimal amounts.

Banks firm

A squeeze on bear positions helped tho major clearing banks stago a revival after a period of inactivity. Lleyds, 12 up at 525p, fared best, while Barclays, 555p, and NatWest, 585p, both improved 7. Midland were only a couple of pence dearer at 370p, after combined group from after 373p, __Discount_Houses.

Bigging for the sector on Christmas spending prospects. Gussles "A" featured with a gain of 14 to 697p, while Burton hardened a few pence more to 403p. Woolworth eased 5 to 578p as 5.28m shares were easily placed as just under 570p per share on behalf of the Hollingbery family. Discons attracted revived support and spurted 15 to 529p, with currys a similar amount up at 599p, amid vagno talk of a bid for the combined group from after 373p. __Discount_Houses. Bats, In contrast, Harris Queens-drifted lower on lack of interest. Way encountered selling and fell with recent takeover favourite

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times.

the Institute of Actuaries and the Faculty of Actuaries

Tues Dec 18 1984

Mag Dec 17

Fri Dec 14

Ther Dec 13

		Dec. 16	Dec.	Nec. 14	Dec.	Dec. 12	Dec.	year ago
Governmer	t Secs	. 82,26				B2.91		82,70
Fixed Inter	ost				85,95	86.0 9		85,88
Ordinary			- :		927.0	928,3		
Gold Mines					517.3			
Ord. Div. Y					4.64	4.85		
Earnings, '	_					11.86		
PIE Ratio (10.10		
Total barge					353,24			
Equity turn					37,593			
Equity bar Chares trac					234.4		266.5	
CITATION CLAR		 -			307.4	,		
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clined a few pence easier. Elsewhere, renewed support in a restricted market left Lec Refrigeration up 15 more st 335p, while Zygal Dynamics rallied 5 to 40p after the Monday's setback on the half-year loss.

Leading Engineers wore usuall only a few pence better, but TI staged a useful rally and closed 8 to the good of 234p. Elsewhore, Whessoe responded smartly to favourable comment smartly to favourable comment on the results iwth a rise of 14 to 102p. Also reflecting trad-ing statements, Brown and Tawse improved 5 to 128p and J. and H. B. Jackson 2 to 58p. Burgess Products, which announced a capital reorganisation recently, oncountered fresh support and rose 12 to 122p.

A squeeze on bear positions helped tho major clearing banks stago a revival after a period of inactivity. Lloyds, 12 up at 525p, fared best, whilo Barclays, 555p, and NatWest, 585p, both improved? Midland were only a couple of pence dearer at 370p, after 373p. — Discount. Houses at 181s. In contrast, Harris Queens drifted lower on tack of interest way encountered selling and fell with recent takeover favourite to 70p.

A firm and active sector in the Bid speculation

(Shbunr) sho Assa.

Wed Dec 12

disappointing interim figures, sbed 3 more to 145p. Among Food Rotallers, Argyll remained a firm counter and rose 4 to 262p, but Associated Dairies shed that much, to 158p. Batleys of Yorkshire moved up 6 to 82p, while Watson and Philip firmed 4 to 94p, the latter following near-doubled annual profits.

Intasun were unchanged of 115p following its decision to pull out of the bidding for Com-for Hotels and sell its 14.95 per cent stake to Ladbroke; the latter, which is now in a strong position regarding its own bid for Comfort, rose 4 to 26ip.

Metal Box good again

Metal Box were a strong market, rising 16 more to 400p on renewed domestic and U.S. demand in a market nono too well supplied with stock; talk continued about the potential growth for the group's plastic containers, but the company has also been suggested as a nosalso been suggested as a pos-sible bid target of Hanson Trust. Helped by the early improvement on Wall Street, other leading miscellaneous industrials traded a few pence firmer in the late dealings. Hanson Trust put on 7 to 297p, which makes its share exchange offor for Powell Duffryn, unaltered at 405p, worth 396p

unaitered at 4009, worth 3909 per 5bare. Comment on the pre-liminary figures prompted a further rise of 14 to 689 in Redfearn National Glass, while Stebe, np 23 at 4959, responded Stebe, np 23 at 495p, responded afresh to the good interim results. Extel, 30 better at 290p in o difficult market, continued its recent recovery movement and Associated British Ports, 11 higher at 180p, also tok a turo for tho better. Steetley met with sporadic demand and put on 9 to 280p. Satisfactory belf-year figures left Halma 10 to the good at 207p, but Johnson Group Cleaners encountered further selling and lost 15 more to 413p salling and lost 15 more to 413p peoding the outcome of the bid pecting the distribution in the bid situation. Up to 138p st one stage, Read Executive met with profit-taking after the Interim figures and closed 3 lower on the day at 127p.

Casino concerna made a bright

which dipped 5 for 8 two-day decline of 10 to 257p. Jaguar on the other hand, attracted oteady support, much of which was rumoured to be from U.S. sources, and finished 5 to the good ot 222p.
Among Properties, Samnel shed 5 to 149p following news of property acquisitions worth 17m to be funded by the issue of some 4.9m shares.

Textiles made modest propess.

Textiles made modest progress nndor the lead of Courtanids, 5 better at 129p. Tootal firmed a couple of pance to 0 1984 peak of 69p following Press comment which relterated the company's potential as a takeover targot. Earlys of Witney were also wanted and touched 63p before settling a net 3 dearer at 60p; Courtanids recently sold its entire 30.6 per cent stako in Earlys to unquoted investment concern Clayhiths. Albert Textiles made modest progress

entire 30.6 per cent stake in Ezrlys to unquoted investment concern Clayhiths. Albert Martin rose 5 to 54p in belated response to so investment recommendation.

Hard on the heels of its £664m agreed bid for Hambro Lifs Assurance, BAT Industries again pleased by revealing the sale of its cosmetic operations to Bercham for £125m; the announcement brought o "buy" recommendation from brokers de Zooto and Bevan and Bats touched a new high of 352p before settling a net 5 up at 345p. Beecham eased a couplo of pence to 373p, after 370p.

Atlanta Investment Trust ross 4 to 139p, after 142p, following revised bid terms from Grovebell, unchanged at 16fp. Financials traded quietly and price changes were usually minimal, but Ivory and Sime ottracted renewed speculative demand and advanced 9 more to 85p.

Oils nervous

Oils remained nervous market today's OPEC remained a highly market ahead of OPEC meeting in nervous market ahead of today's OPEC meeting in Geneva. BP were marginally easior at 478p at the outset but subsequeotly edged up to closo unaltered ot 480p while o strong performance by Reyal Dutch—up i to £40i—oncouraged support for Shell which hardened 5 to 640p. Britoil touched 208p and 200p before settling a net 2 off at 203p, while LASMO, initially sold down to 318p, rallied to closs 5 np at 325p.

Burmah were initially buoyed by continuing bid speculation and rose to a year's best of 240p but came under sizeable selling pressure after-hours to close 3 lower on balance at 230p.

In Irish stocks Oliver Prospecting fell back to 170p but picked up to close 15 down on balance at 175p following news that the company is—participating in two bidding groups applying for offsbore exploration licences in the UK ninth round.

Golds under pressure

Golds under pressure

South African gold and related issues endured another painful session but were showing signs of a recovery movement after a second day of beary losses.

ment after a second day of beavy losses.

Substantial U.S. selling overnight, following the sizeable fails registered in London on Monday, prompted jobbers to mark Golds down of the courset of trading. Thereafter, modest support was forthcoming from the Continent — mainly Switzerland and Germeny — and prices rallied modestly to close above the day's lowest levels.

The bullion price fail sharply in early trading, dipping to around \$305.5 at one point, but subsoquently rallied to close a net \$7 down at \$309.25 — a two-day fall of \$13.25.

Registering its foorth consecutive double-figure loss, the Gold Mines index gave up 15.6 to 452.2.

Financials weakened in line with Golds but closed above the day's lowest levels. In the South

showing in the wake of excellent annual results from Trident TV, 9 higher at 176p.
Motors again iscked a decided trend. The cautious tonor of the Corporation gave up 20 to **EUROPEAN OPTIONS EXCHANGE**

TOTAL VOLUME IN CONTRACTS: 25,826.

London issues wore more resilient but still closed with widespread falls. RTZ dropped 7 to 585p, after 582p and Charter settled 5 easior at 177p. chairman's statement at Mon-day's AGM prompted fresh stilling of Lucas Industries,

year-end changes. AT THE YEAR-END review of the FT-Actuaries indices, Discount Houses (63) subsec-tions with effect from January

The seven constituents currently in group 39—Peter Black Holdings, Chamberlain Phipps, Friedland Doggart, Lec Refrigeration, Silentnight

and 41. Cater Allen Holdings, Clive Discount, Gerrard and National, King and Sharson, Smith St Anbyn (Holdings) and Union Discount, all current constituents of group

Now Year reclassifications are also planned for J. Bibby and Sons, from 21, 25 (Food Manufacturing) to 41, 46 (Miscellaneons), Gnest Keen and Nettlefolds, from 08 (Metals and Metal Forming to 49 (Motors) and Metal Forming

OPTIONS

Last Last For Deal- Declara- Settlebear bear bear becara settle-ings ings tion ment Dec 17 Jan 4 Mar 21 Apr 1 Jan 7 Jan 18 Apr 11 Apr 22 Jan 21 Feb 1 Apr 25 May 7 For rate indications see end of Share Information Service

ments, Arthur Guinness, BSG International, Combined Tech-nologies, Falcon Resources, Commercial Union, Gestetner "A." Oliver Prospecting. MIM Holdings and Microvitec. wore arranged in A.R. Electronic Products and Absco, whils a double was taken out in Mersey

RISES AND FALLS

year's low of 930p and Gencor touched £10½ prior to ending the day ½ off ot £10½. Minorco eased 10 to 530p and De Beers lost 6 st a 1984 low point of 354p.

Charter settled 5 easior at 177p. Hampton Areas fell a like amount to a low of 150p on further consideration of the interim results.

Demand for Traded Optiers improved afresh and total contracts struck amounted to 10,819. The FT-SE 100 accounted for 846 calls and 153 puts. Once again, ettention centred on British Telecom which attracted another lively two-way business and recorded 2,213 calls and 2,552 puts; 1,440 puts were doos in the February 90's. Jaguar attracted 515 calls, the December 200's and 220's accounting for 214 and 205 trades respectively. The December Series expires today.

FT-Actuaries

it was decided to discontinue the Other Consumer (39) and

Holdings, Valor and Wedg-wood—will be reclassified into groups 46 (Miscellanoous)

63, will be transferred to subsection 70 (Other Financial).

to 09 (Motors) and UEI, from 10 (Other Industrial Matorials) to 05 (Electronics).

Money was given for the call of Polity Peck, British Telecom, Feedex Agricultural Industries, Metal Sciences, Petranol, Amal-gamated Estates, Barratt Develop-

YESTERDAY 609 464 1.598

EQUITIES 11AberdeenAmPel£1 109 —2

Access Sstellits 5p. 180 — 2

Access Fig. 180 — 2

Access Lodge 1p. 167 +1 bg 5.5 2.6 4.7 11.7 1+36 40c - 1.1 -bg 1.82 8.6 1.6 20.5

RECENT ISSUES

price that	Panuno.	1984 2h Low	Stock	Oldeing Price E	+-0
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Re	nuncl	ation date	usually	last dev	for dealing free of stamo du	tv. h Flour

Renunciation date usually lest day for dealing free of stamp duty, b Figures besed on prospectus estimates, d' Dividend rate gold or payable on part of capital; cover based on dividend on full ceptial, p Assumed dividend and yield. p Farecast dividend cover based on previous year's samings. F Ovidend and yield based on prospectus or other efficial estimates for 1955, H Dividend and yield based on prospectus or other efficial estimates for 1984, Q Cross, p Pence unless otherwise indicated, 1 Issued by tender, I Offered holders of ordinary shares as a "rights," == Issued by way of capitalisation, 55 Reintroduced, 11 Issued in cannection with reargenisation marger or take-over, II Alliatment latters or fully-paid, ||I introduction, ½ Unlisted Socurilles Market. 5 Placing price. T Figures assumed. 11 Official London Lighing 1; Dealt in under Rule 535(3).

ACTIVE STOCKS NEW HIGHS AND LOWS FOR 1984 Stock
2st Inds
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Ledbroto
Morshell's Universal.
Metol 20x
RMM NEW HIGHS (162) COMWEALTH & AFRICAN LOANS (2)

MONDAY'S ACTIVE STOCKS NEW LOWS (42) AMERICANS (1) CANADIANS 131 SOUTH AFRICANS III Petro Energy
Otls 177
Petro Energy
Orankwater Res. Pecos 9eso
Inti. Corona Res.
ELECTRICALS (1) Pecos gesources INDUSTRIALS (1)

t 127p. secutive double-figure loss, the Gold Mines index gave up 15.6										1	LON	DO	N 1	RA	DED OP	TIO	NS							
		a bright		452.2. 'inancia	ls we	akened	i in line	Ш			•	CALLS		. !	PUTS		١			ALLS			PUTE	
		ent TV,	wit	b Golds	but c	losed a	above the	ш	Optio	n	Jan.	Apr.	Jiy.	Jan.	Apr.	Jly.	Opti	on	Feb.	May	Aug.	Fob.	May	Aug.
again la		decided r of the	Afr	ican se	ctor A	Inglo .	American 20 to a	ı	B.P. (*480)	380 420 460 500	95 03 33 10	100 70 43 83	- 48 27	2 5 5 5 5 5	3 7 18 42	50 48	Imperial Gp. (*178)	180	93 8 52	44 27 11	59 16	21 ₂ 21 ₂	0 5 12	15
JROP	EAN	OPT		S EX			E	II	Cons. Gold	650	30	10 45 28	57	75	77	87	(*323)	300 330 350	33 23 8	42 33 22	40 27	7 20 43	13 28 48	33 33
1es 530 536	Vol.	Lest 10	Vol."	Last		Lest	Stock \$309,40		(*477)	550 550 600 650	11 31 1		28	08 80 150 180	43 BO	37 95 	Lonrho (*164)	150 140 160 180	58 28 12 4	50 13	55 10	512 0	31 ₂ 11 81	5 12
\$32 \$35 886	5 85 0, 100	5.20 A 1.80	80 80	10 4.20 1,80	95 15	19 7	7		Courtaulds (*109)	110 180 130 140 160	20 11 0	22 15 8 4	16 1112 5	2 5 0 14 32	0 5 8	5 8 11 20	P. & O. (*302)	060 280 300 550	44 25 18 3	48 50 19	 25 16	0 4 11 51	0 B 18 37	03 41
\$37 \$40 \$30 \$32 \$32 \$35	O 83	0,50 0,60 18 40,50 8	04 50 13	7.30	310 80	2 15			Com. Union	150	551 ₂ 9	50 12 9	39 20 15	719	5 14 24 43	9 15 27	Racal (*258)	920 240 950 280	25 14 0	52 34 51 11	48 50 17	8 2 9 24	0 3 13 82	7 13 38
,	· 57: —	0ec.	000	Mar. ; 0,28	Ju 83	ino 0.40	:56,02		C.E.C.	100 180 200	112	1 5 1	<u>- '</u>	50 59	43		R.T.Z. (*687)	500 550 500 650	57 52 53	e7 40 17	- 47 24	9 30 65	BO 444	53 80
FL.33	18 — 17 18	0.7e	53 B 10	0.08 0.80 10.50 12.50	30 18	0.00	;; ;F1548,60		, 525,	200 220 240	44 81 15	68 48 34 16 8	40 84 14	11 ₂ 0 24	4 10 25	e 13 08	Vani Recfs f*\$81;	90 100 110	41c 814 112	8	11 8 4 lg	10 20 50	1012 8112 31	171 ₂ 231 ₂ 52
F1.34 F1.34 F1.35	10 15 43 10 51 15 6	8.70 4.50 1.20	e e5 23	12,50 10,20 7,30	=	=	::	Ш	Grand Met. 1"5201	280 300	46 · 27	60 37	65 45 20	2 7	4 13	1 7				CALLS		—-i	STUF	
FL35	ъ е	0.50	18	2,70	ō	8.20		Ш		350 350	0 21 ₂	13	20	18 45	28	50	Option Beecham		Dec.	Mar.	June	000.	Mar.	June
F1.32 F1.03 F1.55 F1.34 F1.35		0.70	10 3e 2	0.50 4 5 9.70	11111	Ξ			I.C.I. (*742)	550 600 650 700	198 148 08 52	802 150 104 65	110 14	0 0 8	2 2 8 12	8 92	(*573)	350 350 350 390	75 43 16 13 ₂	80 60 50 11	07 85 17	1 2 20	2 4 12 30	6 18 33
n,M30	ن0د 	2 Bj	60	8,30 pr.	=	July	омейя.95		Land Sec. *8,15	260 260 500	66 37 18	60 42 27	46 32	01g 2 4	5 9	 8 13	Base (*472)	350 390 490 460	185 03 65 20	150 100 72 53	13e 103 77 40	1 2 0	2 4 7 11	2 6 10 17
FJ.08 FJ.35 FJ.14 FJ.14	O 379	0,40 8 4.50 7,30 A, 0.30	170	10 11,20 0,30	2 7 3	19 14 0.50	FI,330 FL146,79		Marks & 2p. f*121	100 110 110 100	23 13 e	25 17 9	20	10 112 2 2 e	20 3 4 9	26 — — — 12	De Beers (*\$4.23)	420 450 500 550	2 2 2	45 85 12 7	50 40 22 14	50 90 140	34 65 100 140	40 75 110 130
FI. 12 FI. 12 FL. 10 FI. 9 FI. 8	0 30 0 1178 0 571	3.40 0,50	10 2 601 463 67	6.40 3 7.50 2.10 A 4,10	- 68 181 10	4	FI, 182 FL 98,90 FI, 66,90		Shell Trans.	130 600	2 145 93	150 100	= 1	13	15	18	Guest Koen (*192)	140 160 160 200	54 34 14	38 38 21 9	48 25 13	0 1	1 3 7 16	e 10 20
FL 18 FL 18	e 1e 0 44	2.40 0.70 0.70 8	23 8e	2.50	23		FI.160.28			600 650 700	45 15 3	25 10	e5 30 18	00 65	13 37 72	18 40 77	Nanson (*296)	220 240 200	81 61 41	85	27 67 47	1 1	2 3	2 3
FL14 FL10 Fl.0 Fl.0	0 211 0 10 3 100	0.50 2.50 9.30	21 03 21 25 002	9.50 1.40 0.20 3.60			FL140,10 F1.64.10		Traf5lg'r Hs. (*034)	260 280 300 330	76 56 08 12	80 60 40 15	1 43 84	01 <u>e</u> 1 11 ₈	2 2 6 11	- 6 10	Jaguar	280 300	21 -	43 28 18	32	1	4 8 16	7 11 22
F1.4 F1.4 F1.17	3 1444 3 700 0 20	0.60	710 14	4,30 2.20 0,00	225 69 0	5.80	F1.46.60 F1.160.60					ALLS		P	UTS (_	Jaguar (*222)	130 200 220	42 22 3	48 27 11	47 31 16	014 014 014 3	5 2 10	5 9 16
FI,166 FI,25 FI,24	0, 49 0 12	3,40 0,70 A	13 141 13	7.20 6.70 3.60	_ : 2 ;		F1,845,60		BAT Inds.	240 2e0	116	118	Aug. 108	Feb.	M5y	Aug. 4	Tesoo (*237)	200 220 240	58 39 10 3	62 42 23 11	65 45 28 17	1 2 5	0 8 13	5 e 12 16
Fr.681 Fr.750 Fr.730 F1.5	0 46 0 903	250 : 400 : 3,60	40 112	300 6,20	70	400	Fr.69,90 F1.03		, 500,	220 300 330	06 70 58 32	100 82 00 37	88 70 47	3 4 9	8 10 16	10 16 23	FT-0E Index (*1216;	1026 1050	167	220 100 168	Ξ	012 012	1 le 1 le 2	
FI.5 FI.18 FI.16 FI.30 FI 28	5 132 0 240 0 91 0 75	0.90 0.30 7,80 0.60 8	83 392 107 12 17	2.30 4.60 2.70 14.50 5.00	53 54 4	0 .	F1.100,20 F1.301		Barclays (*554)		146 105 65 03	150 110 72 55	B5 47	2 2 6 15	2 4 11 27			1075 1100 1125 1100 1175 1200	117 82 87 42	145 190 98 78 58	128 108 88 70 00	1 1 2 2 7	7 11 15 20 30	13 18 35 35 47 73
	CONTRA Ask	CTS: 25, 6=Bid	•	Call	P≂Pul	t	ļ		St. Talecom (*100)	80 90 100	24 143 ₄ 8	201 ₂ 18 111 ₂	28 ¹ 3 201 <u>2</u> 14	1 1 6	1 ½ 3½ 8	21 ₈ 0 10	Dec. 18. Tota	1250 al cont	raots ?	20	40 Calis	 7.050.	67 J	73 0,7eo,

	gures in parenthe stocks pe			inde No.	Day's Change	Earnings Yield % (Mass.)	Vield% (ACT at 30%)	P/E Ratio (Net)	jariex Mo.	todex No.	Index No.	ladex No.	Ind No
	CAPITAL COOD			552		9.51		13.04	552.59	551.29	547.60		462
	Building Materia			506.		13.14		9.68	506.69 727.73	502.95 724.93			446 663
1	Contracting, Con-		G00	728. 1595.		10.32		12.23	1612.23	1605.85			
ļ	Electricals (14)			1952		7.52		17.18	1963.56	1966.05	1968.56		10-40
l	Electronics (34). Mechanical Engli		SM)	273		12.20	4.70	9.77	272.75	271.67			
ı	Metals and Metal			167		13.83	7.32	9.05	166.46	163.83			175
ı	Motors (17)	- 4 Or many	(7/	136		11.39			136.42	136.51	135.43		120
ľ	Other Industrial I	Materials	(18)	- 804		5.99		29.66	806.36	805.26	793.05		598
Į	CONSUMER CR	OHP (12	9)	609		9.54		12.65	607.78	600.75	593.61	591.93	457
1	Brewers and Dist	illers (23	0	568.		11.79		10.41	566.28	558.64			
ı	Food Manufactur			467.	52 +8.1	12.26		19.15	466.95	463.92			_
1	Food Retailing C	د (2)		1406.		6.83		19.49	1444.91				
į	Health and House	chold Pro	ducts (9).	2003.		5.77	2.64	20.34	1901.73				
ł	Leisare (23)			671.		8.25		25.92	667.10	663.94	658.73		603
ı	Newspapers, Put	dishing Cl	(3)	1437.		8.55		15.19	1435.09	1440.71	1440.45		
ĺ	Packaging and Pa	aper (I-4)		285.		12.68	5.08	7.04	282.93	281.28	286.04		
ł	Stores (45)			542		7.45		16.12	540.58	538.98	526.54		
١	Textiles (19)			294		13.53	4.75	8.52	292.09	261.45	285.57		252
l	Tobaccos (3)			808.		1417	4.32	7.87	877.34	822.14	521.48 508.63		469
ł	Other Consumer			516.		12.13	431	72.07	512.76	510.16	581.40		450
Į	OTHER GROUP!			576		9.81	4.37	12.97 10.47	595.57 717.89	509.17 701.23	684.95		627
į	Chemicals (17)			724.1 145.9		7.84	530	14.47	145.54	144,72	144.59		iii
١	Office Equipment	(4)		944		9.16	516	13.96	937.96	930.37	927.39		790
ı	Shipping and Tra	uzbots (T	37	776		8.15	3.56	14.95	758.86	744.59	759.00		531
ĺ	Miscellaneous (5)	31		687		9.71	447	13.43	670.69	684.28	676.34		
l	Telephone Netwo	MIS VZ/				9.62	3.96	12.83	600.27	574.98		585,54	459
į	INDUSTRIAL G					16.48	7.10	7.51			1977.83		902
l	Oiks (1.7)			1058.					638.65				_
ŀ	500 SHARE IND	EX (360)		640J		10.54	4.38	11.72				627.A6	496
l	FINANCIAL' CR	0UP (1,1	B)	429			5.13		427.21	425.10	422.13		366
l	Banks (6)			428		19.91	6.59	- 6.36	422.54	429.71	418.17		375
۱	Discount Houses	(6)		460.		} —	6.64	<u> </u>	461.92	465.76			345
ı	Insurance (Life)	(9)		582.9		ı –	4.65	_	583.38 368.56	579.75 387.43	567.70 306.50		504 253
ľ	Insurance (Comp	osite) (가				I	6.83 3.54	17.62	979.57	967.81	754.08		632
l	insurance (Broke	rs) (6)		_ 978		7.87	4.79	17.552	218.89	219.50	217.58	216.74	222
Į	Merchant Banks	(1.2)		217.		5.27	3.47	25.36	642.60	636.95	636.18	636.69	522
1	Property (53)			644.4 262.1		11.32	5.79	10.75	260.23	259.17	258.94		263
l	Other Finance (1	1) ()		563.9		 	3.44		565.07	558.53	557.27		471
ı	Investment Trust			269.		12.12	5.64	11.42	271.71	273.39	276.38		282
ł	Mining Finance ((7.0)		616		9.52	6.30	12.87	615.75	613.51	611.60	609.19	496
ŀ	Oversens Traders	CATA MAN	·	583.4	_	_	4.48	ı	582.47	578.55	574.73	572.59	464
ŀ	ALL-SHARE IN	EX(/4x		Inde		Day's	Day's						
ł				No.			Low						
ł	FT-SE 100 SHAL	E HADE	¥			2216.2	1212.6		1212.5	1204.8	1196.7	1190.7	Ţ
	L1-35 444 315c										T	N/	v
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	PRICE	Tages	Day's	Mon		d adl. 1984	1 Low		years		18.47	10.40	9
		Dec	change	Dec 17		o date	2 Cospo	s l'	,		18.39	10.39	10.
	NOICES				1 7	D 0202		- 2	years		9.91	9.92	7
		128	%				3	_				11.11	11
	RDICES		%	-		\neg	3 4 Media	m _!	years		1113		
	NDICES Little Comment	18				11.28	_	n !	years		10.78	10.77	
	MDICES MISS Community Systems	138.15	-0.67	118.24		11.29	4 Media 5 Coupu	m _3	years years years		10.78 10.18	10.18	20
	NDICES Little Comment	18	-0.67		_ 3	14.09	4 Media 5 Cooper 6 High	n !	years years years years		10.78 19.18 11.21	10.18 11.19	10
	MDICES Delich Government Syears	138.35 129.93	-8.67	118.24 129.92	_ 3		4 Media 5 Coupu	n !	years years years		10.78 19.18 11.21 18.94	10.18 11.19 10.93	14 11 14
-	MDICES MISS Community Sycars S-15 years Over 15 years	138.15 129.93 137.51	-0.67 -0.33	118.24 129.92 137.67	-	IA.89 IA.57	4 Media 5 Coupor 6 High 8 Coupor 9	s 1	years years years years		10.78 10.18 11.21 10.94 10.30	10.18 11.19 10.93 10.29	17
	MDICES MISS Community Sycars S-15 years Over 15 years	138.35 129.93	-0.67 -0.33	118.24 129.92	-	IA.89 IA.57 I3.57	4 Media 5 Coupor 6 High 8 Coupor 9	s 1	years years years years		10.78 19.18 11.21 18.94	10.18 11.19 10.93	10 10 10
	MOCES Oction Covernment 5 years 5-15 years Over 15 years Irredeemables	138.15 129.93 137.51 150.27	-6.57 -6.33 +9.27	118.24 129.92 137.67 149.87	-	14.69 14.57 13.57	4 Media 5 Coupor 6 High 6 Coupor 9 Irrede	s 1 2 5 1 2 5 1 5 2	years years years years years		10.78 10.18 11.21 10.94 10.30 9.89	10.18 11.19 10.93 10.29 9.82	2 1 2 2 2 2 3 3 4 4 4 5 4 5 7 7 8 7 8 7 8 7 8 7 8 7 8 7 8 7 8 7 8
	MDICES MISS Community Sycars S-15 years Over 15 years	138.15 129.93 137.51	-0.47 	118.24 129.92 137.67 149.87 128.78	- :	14.69 14.57 13.57 13.23	4 Mediu 5 Coupor 6 7 High 8 Coupor 9 10 Irredes 11 Dels 6	s 14 22 15 14 25 14 25 25	5 years 5 years 5 years 5 years 5 years 5 years	#1 11 10 mm	10.78 10.18 11.21 10.94 10.30 9.89	10.18 11.19 10.93 10.29 9.82 11.59	19. 19. 10. 9.
	Biblick Government 5 years 5-15 years Over 15 years Irredeemables All stocks	128.15 129.93 137.51 150.27 128.73	-0.47 	118.24 129.92 137.67 149.87	- :	14.69 14.57 13.57 13.23	4 Mediu 5 Gospoi 6 7 High 8 Cospoi 910 Irredei 11 Deks 4 12 Lours	s 14 s 14 s 14 s 14 s 25	years years years years years years years	**************************************	10.78 10.18 11.21 10.94 10.50 9.89 11.64 11.58	10.18 11.19 10.93 10.29 9.82 21.59 11.54	10. 11. 11. 11. 11. 11. 11. 11. 11. 11.
	MOCES Oction Covernment 5 years 5-15 years Over 15 years Irredeemables	138.15 129.93 137.51 150.27	-0.47 -0.33 +0.27 -0.04	118.24 129.92 137.67 149.87 128.78	- :	14.69 14.57 13.57 13.23	4 Mediu 5 Conpor 6 High 8 Conpor 9 Irrede 11 Deks 4 12 Lours		5 years 5 years 5 years 5 years 5 years 5 years		10.78 10.18 11.21 10.54 10.50 9.89 11.64 11.58 11.52	10.18 11.19 10.93 10.29 9.82 21.59 11.54 11.49	10 11 11 11 11
	Biblick Government 5 years 5-15 years Over 15 years Irredeemables All stocks	128.15 129.93 137.51 150.27 128.73	-0.47 -0.33 +0.27 -0.04 -0.23	118.24 129.92 137.67 149.87 128.78 110.22	- 3 - 3 - 3	14.69 14.57 13.57 13.23 13.09	4 Media 5 Coupor 6 High 8 Coupor 9 10 Irrede 11 Dels 4 12 Lours 13		years years years years years years years years	†	10.78 10.18 11.21 10.94 10.50 9.89 11.64 11.58	10.18 11.19 10.93 10.29 9.82 21.59 11.54	10 10 11 11 11
	INDICES Delish Government 5-15 years Over 15 years Over 15 years Over 16 years	138.15 129.93 137.51 150.27 128.73	-0.47 -0.33 +0.27 -0.04 -0.23	118.24 129.92 137.67 149.87 128.78 110.22	- :	14.69 14.57 13.57 13.23 13.09 6.59	4 Media 5 Coupor 6 High 8 Coupor 9 10 Irrede 11 Dels 4 12 Lours 13	m 12 22 22 22 22 22 22 22 22 22 22 22 22	5 years 5 years 5 years 5 years 5 years 5 years 5 years 5 years		10.78 10.18 11.21 10.54 10.50 9.89 11.64 11.58 11.52	10.18 11.19 10.93 10.29 9.82 21.59 11.54 11.49	14 14 14 14 14 14 14 14 14 14 14 14 14 1

Financial Times Wednesday December 19 1984 FT LONDON SHARE INFORMATION SERVICE A Happy Christmas and 120 | STATE | STAT Prosperous New Year ENGINEERING-Continued DRAPERY & STORES-Cont. to all our investors INTERNATIONAL BRITISH FUNDS 'Shorts" (Lives up to Five Years) | Years | 11-25 | 10-91 | 1207 | 11-12 | 10-91 | 11-12 | 10-91 | 11-12 | 10-91 | 11-12 | 10-91 | 11-12 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 | 10-91 CANADIANS DIANS

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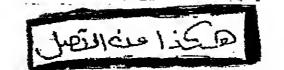
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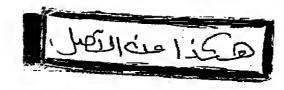
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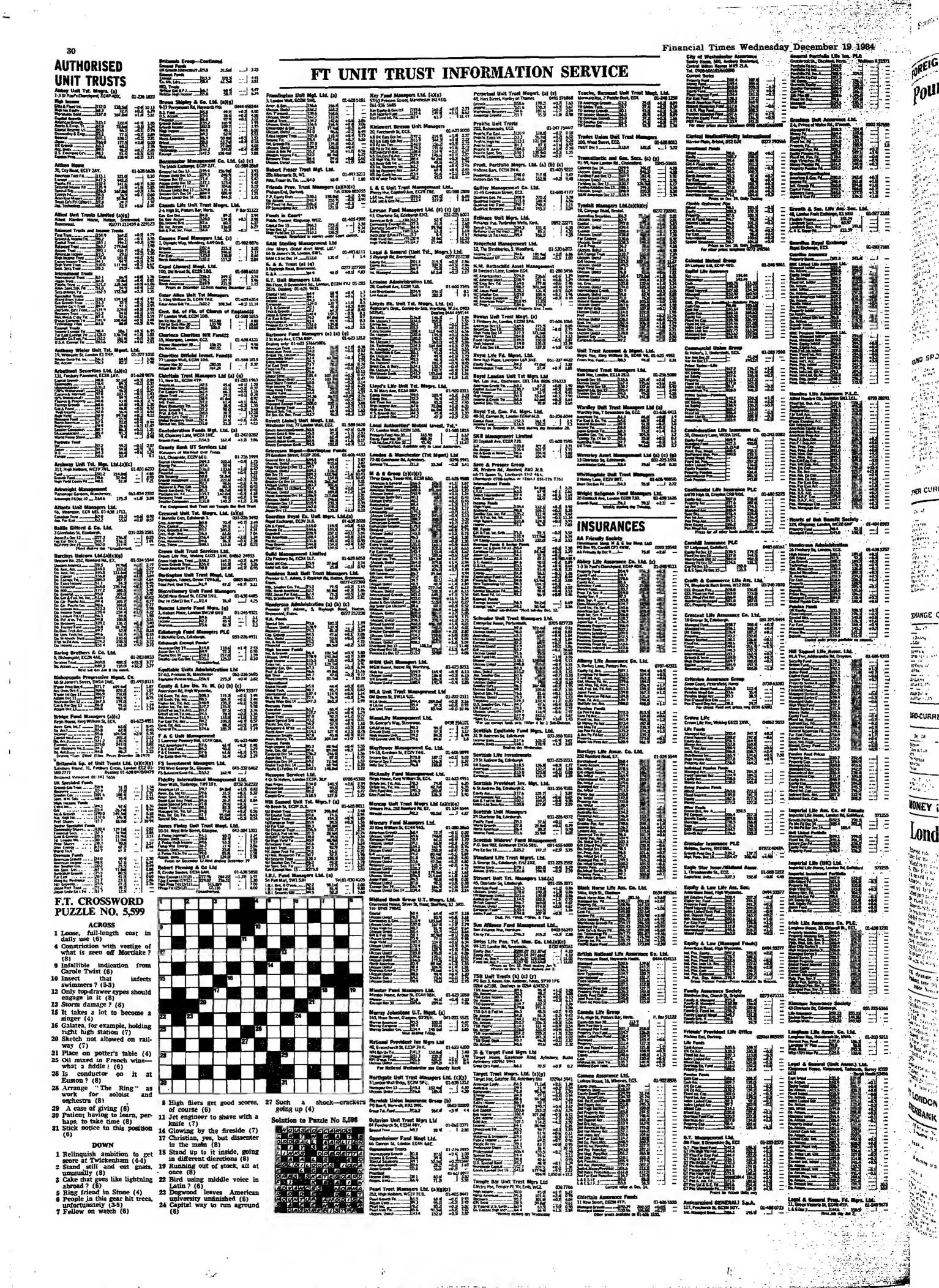
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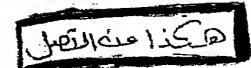
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Wren Commodity Management Ltd
10 St George St, Donglas, IoM, 0624 2501

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Vangelah Dynamie Mngt Co SA
103 Bonlevard Royal Luxemboury.

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5tlFxdF9 £0.894 0.9069.1001
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Potato futures fall sharply

BY ANDREW GOWERS, AGRICULTURAL STAFF

support it in reserve.

for funds to buy a further

The Government, however, which officials say faces a bill of about £17m as a result of

Agriculture Ministry officials,

POTOTA PRICES prices fell do with people who don't went to help themselves?" one the Potato Marketing Board failed to agree on emergency measures to deal with a UK surplus which could be approaching the toomes. The contract in active futures trading. proaching 1m tonnes.

The board revised its estimale per tonne.

for this year's yield upwarde 10

Brokers 37.7 tonnes per hectore, which would indicale a crop of 6.98m tonnes, more than 220,000 tonnes larger than its previous projection.

At the same time, its executive committee rejected a proposal to raise the minimum saleable potato size from its current level of 40 mm. following growera' opposition.
Two weeks ago the board

proposed raising the minimum size, nr "riddle," to 50mm, which it estimated would have taken 300,000 tonnes off the market.

Growers, however, resisted increasing it to more than 45mm, and Scottish farmers eampaigned against an increase nn the grounds it would damge the Scottish secd-potato industry by encourag-ing English growers to use their rejected polatoes for

Exasperated officials said the board did not feel it could act without total support from would be reached. They said the without total support from growers, for whom a riddle increase would amount to an additional levy. "What do you

Gold price falls again
BY JOHN EDWARDS, COMMODITIES EDITOR

GOLD FELL to another 21-year trigger further heavy burst of

Japanese aluminium smelter to close

VIPPON LIGHT METAL. Japan's biggest aluminium company, will close its Tomakomal emelter from April following 2 government call for a cut to the country's refining capacity.
The smeller has an annual tract in active futures trading. The contract closed at £59.60 production capacity of 72,000

Brokers eaid the market was depressed particularly by the lack of any indication that the board had other options to tonnes but is producing about 10,000 tonnes a year only. • EEC AID totalling £2.7m has been awarded to 59 British projects for the construction and and the development of fish farming. It has already contracted to buy 448,000 tonnee in a market support scheme and is press-ing the Ministry of Agriculture

BRAZIL may have to import between Im and 1.5m tonnes of rice (busk basis) in the 1985-1986 (March-February) marketing year to make up production shortfalls and low carry-over stocks, the weekly Safrae and

of about £17m as a result of the board's current commitments, appears unwilling to stump up more.

Some observers believe the price will now drift further down to a point where the Covernment will be forced to step in with a costly programme of deficiency payments. If the price averages £4f a tonne for the entire season, the Government is obliged to intervene in this way.

Agriculture Ministry officials, stocks, the weekly Sairae and Mercado newsletter said. Production is estimated at g.3m tonnes to 9.2m tonnes, glving an average 8.75m tonnes against the previous year's 9m. Consumption is put at 9.65m tonnes against 9.55m tonnes previously and carry-over atocks at a critically low 150,000 tonnes. PAKISTAN cotton traders

PAKISTAN cotton traders predict a bumper crop this season (September-May) following last year's disappointing 3m bales. Mr Zahid Bashir, president of the Karachi Cotton Association, said cotton production may exceed the official target of 5.2m bales (375 lb each) and official agencies have said production could reach 5.7m bales.

• JAPANESE refined sugar output from imported raws is estimated at 217,700 tonnes in January-March, down from an earlier estimate of 260,000 tonnes, according to the Agri-culture Ministry's sugar supply/ low yesterday after further selling pressure, especially from the Far East overnight. The London bullion spot price closed \$7 down at \$309.25 an ounce. U.S. dollar and low infiation in after falling to a low point of the industrialised world were maintained. demand outlook The estimate had been cut

because that for refinad sugar output from domestic sugar came and beet bad been in-creased to 388,400 tonnes from 350,200 tonnes, it explained, \$306 in early trading.

A eteadier opening in early trading on the New Ynrk (Comex) market helped London prices to new lows as well. The (Comex) market helped London prices to new lows as well. The prices recover slightly, encouraged by speculative huying interest at the lower levels.

The market remains extremely nervous, bowever, waiting to see whether prices barrier. This would probably break through the \$300-an-ounce to new lows as well. The London bullion spot price for silver was cut by 16p to 534,50p an ounce at the morning fixing—the lowest level since October 1982.

The London free-market platinum price fell by \$4.5 to \$295 an ounce, 6 A DELEGATION of UK mest manufacturers and plg and poultry producers has urged the UK Government to work for a cut in EEC cereal support prices The London free-market in next year's Common Agri-platinum price fell by \$4.5 to cultural Policy (CAP) farm \$295 an ounce, (

Dec. 18 + or

Barley Fut. MarC112.85 +0.48 £109.66

Sultana shortage will bolster premiums

FAILURE OF one kind or annther can usually be relie." on to hit at least one country's sultana crop each year, leaving the market better for those

This year, bowever, production is down all round, the three principal exporters, Greece. Turkey 20d Australia, reporting lonnages 20 per cent to 25 per cent lower for 1984-85 than those of the previous season. Buying is quickening as the

prospect of sbortage grows. In the past few weeks Australia's stocks bave shrunk to fewer than 5,000 tonnes, and these will almost certainly bave beeo sold before the next season opens in March.
The Australian lapse comes

after three years in which yields were high. Though frost did some damage the factor that couoted most was ibet the vines were tired and needed a September and now stands at the kind in which Australia rest, which they are taking this season. Quality, bowever, is ports from outside the EEC in ports from outside the EEC in cur a peoalty of \$150 (£126) a On the UK market Australia

Greece likewise harvested tonne less fruit this season, with a crop of about 70,000 tonnes instead of the usual 90,000

ranean supplier, whose barvests also provides a means of reducusually approach 100,000 lonnes, this year galbered 70,000 tonnes only.

Australia, which considers the

of orders from around the world, including, besides the UK, Canada, Algeria, West Germeny, Japan and New Zealand. For Australia and Turkey the shortage provides respite from the MIP 1Minimum Import Price) applied by the EEC to protect Gree; exports within the Community. The MIP was raised by 7.4 per ceot last light top quality sultanas of Sentember and now stands at the kind in which Australia

quality of its sultabas to be unmatched, has received a spate

tonnes or so, and the berries tend to chase the market has inherited this, today supply on the vice5 were smaller. Invering quality.

Turkey, the other hig Mediter to help Greece unlod s surplus thou was about a fifth.

tonne.

With demand pushing rates up beyond £700 the MIP is for now irrelevant, though it will Britain joined the EEC. Greece AN INTERNATIONAL metals

Another bonus for exporters, also provides a means of reducing Greek demando on EEC
funds.

In the market now shaping,
In the market now shaping,
quality stands to be rewarded
more generously than usual.
Every national outlet contains
na elite of buyers who lasist on
quality and are ready to pay
for it, but when supplies are
abundant some of the best

Another bonus for exporters,
is that British consumption,
after having long been static,
is growing again, Between 19801983 imports of suitanas and
raisins swelled from about
60,000 tonnes to 70,000 tonnes.
The figure for next year tooks
like being higher still.

The surge of inquiry it

for it, but when supplies are abundant some of the best fruit is inevitebly lumped with lower grades and sells for less than its worth.

From now until prospects for lha next crop become clear well into next year, bowever, well into next year, bowever, light top quality sultanas of the kind in which Australia specialises will receive their premium in full.

On the UK market Australia like being higher still. The surge in finquiry it attributed largely to health-conoclousness, which is doing so much to change eating patterns in Britain. While cakes and puddings are losing ground, the gap is being more than filled by the growth of interest in muesli, salads, curries and other dishes that are gaining popularity and taking dried fruits with them.

English crop

area in June

4.34m hectares

The area planted to rapeseed

continued to move shead strongly, gaining 17.9 per cent to 257,000 ha.

The total cattle herd showed a 1.1 per cent decline at 7.97m bead with the dairy berd falling by 4.9 per cent to 467,000 head.

appointed commercial director of Arkay Metals with effect from January 1. The company will be housed in Mediat's London office. Falconbridge's entry to metals trading is further recognition, by major mine producers, of the by major mine producers, of the growing importance of the free market and of the London Metal Exchange in influencing price. The nickel futures market was launched by the Metal Exchange in early 1979 in the face of fierce opposition from leading nickel producers, who used to control prices.

AN INTERNATIONAL metals trading company has been formed in a joint venture between Falconbridge of Canada and Metdist, "ring"—dealing members of the London Metal Exchange Called Arkay Metals, the company will specialise in trading free market nickel and cobalt but will not be tied to supplies from Falconbridge.

supplies from Falcombridge.

Mr Oliver Ghillie has been

Producer

in metal

trading

venture

All prices as supplied by Metal Bulletin. ANTIMONY: European free

market. 99.6 per cent. \$ per tonne, in warebouse \$,125-3,225.

BISMUTH: European free market, min 99.99 per cent. \$ per lb, tonne lots in warehouse 6.85-6.55.

CADMIUM: European free market, min 99.95 per cent, \$ per lb, in warehouse, ingots 1.08-1.16, sticks 1.12-1.20.

1.08-1.16, sticks 1.12-1.20.
COBALT: European free market, 99.5 per cent, \$ per lb, in warehouse 11.40-11.55.
MERCURY: European free market, min 99.99 per cent, \$ per flask, in warehouse 302-309.
MOLYEDENUM: European free market, drummed molybdic oxide, \$ per lb Mo, in warehouse 2.89-3.00.
SELLENIUM: European free market, min 99.5 per cent, \$ per lb, in warehouse 9.20-9.75.
TUNGSTEN ORE: European free market, standard min 65 percent, \$ per tonne unit WO, cif 72-77.
VANADIUM: European free market, min 98 per cent V.O.

THER CUP

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Age of the second

LONDON

TERBANK

market min 98 per cent V.O., other sources, \$ per lb V.O., cif 2.10-2.25. URANIUM: Nuexco exchange tural lahour force, which was URANIUM: Nuexco exch down 1.2 per cent at 499,100. value, \$ per lb, U.O., 15.50.

Dutch propose levy on manure output

BY LAURA RAUN IN AMSTERDAM

A MANURE levy for The announced on November 2, date of implementation, howned the special proposed came as a rude shock to the animal bushandry industry arrest the mounting eovironmental problem of too much animal manure in the country.

Each work levy for The announced on November 2, date of implementation, however, is being argued still. Mr Brak's proposal for a manure levy would not take effect until after 1986, when two new soll-ing the manure problem for some time. Each year 18m tons of manure is left after farmers haul away, recycle and dump the animal dung on their and, 5ays the Agricuture Mioistry. This growing manure mountain is cooceded, even by farmers, to pose environmental hazards fod

the eoil, water and air.
Mr Brak's proposal, bowever. follows closely on the beels of draft legislation that would ban the establishment of new pig-and poultry-forms and the expansion of most for two

years. The draft proposals were aimed also at curbing the pro-duction of manure, which conduction of manure, which con(ains bigb amounts of nitrates,
phosphates and beavy metals
such as caumium and copper.
More recently the minister said
be was considering measures to
combat the environmental
damage done by copper and
cadmium, which are concentraled in animal fodder.

Mr Braks's draft legislation
mr pig—and poultry—farms,

Mr Braks's draft legislation
mr pig—animal fodder.

Mr Braks's draft legislation

North Brabant Christian Farmers Union (NCB), the largest agricultural union in the Netherlands, opposes the pig and poultry ben but bas not yet determined how much financial loss might be suffered by breeders.

Mr Jan te Veldhuis, a Liberal MP eays the Agriculture Ministry failed to prove exactly what damage the excess manure has done to the

THE TOTAL English crop area as at June this year stood at 4.24m hectares, up 2.4 per cent from a year previously, according to the final results of the Ministry of Agriculture's June farm census, published yester-

The minister says the pig and poultry ban is not intended to hurt farmers and be notes that

will be allowed.

Selected breeders in North
Brabant and Limburg and parts
of Utrecht, Gelderland and
Overrissi may be granted permission to expand, though the exemption criterla have not been announced.

These southermal day.

The biggest rise was in the wheat area, up 13.2 per cent to 1.85m ha. Total barley plantings were down 9.5 per cent at 1.44m ha, mainly due to a 29.5 per cent fall in spring sowings which was only partly made up by a 9.2 per cent These southern and eastern

manure has done to the environment.

The NCB, which acknowledges the dung problem, has proposed three colutions: a levy for each individual farmer, a levy based on the quantity of surplus manure per farm, or payment to the so-called manure bank, where some aurplus waste already is deposited.

These southern and eastern provinces are where tha Netherland is 35,000 plg-breeders and and 3,000 poultry-farms are located. The pig farms account for a Fl shn (£1.92bn) husiness, of which 60 per cent in the pork is exported. In the Fl 2.5bn poultry industry 6bn of the 10bn eggs produced amoulty are exported.

The Dutch pre-breeding

LONDON MARKETS

THE WEAKNESS of sterling encouraged gains on the Lon-dou cocoa futures market but prices ended below traded highs. The March quotation closed at £1,833.50, up £12 ou the day. Coffee prices also moved np

on currency considerations in early trading but were trim-med back later following a downturn in New York and sterling's partial rally agalust the dullar. The March p closed £15 dnwn at £2,212 tonne after reaching £2,247 Wnrld sngar values steadied

in the afternoou after losing ground early nn and nearby positions nn the London futures markets ended a few ceuts higher. The raily was encouraged by New York'e stronger opening

COPPER COPPER Official - Unofficial -1

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High Grda	£	£	2	
Cash 5 months Settlem' t Cathodoe (Cash 6 months Settlem' t	1121.5 1128 30 1 1 41-2	+8.5	1125.5 5 1140 .5 1151 s 1145 6	+4
Amakan that in the truded at	Mornil	17 CES		grad

35 5. Kerb: Higher Grada: Three onths F1,135. 34.5. Attendon: there conditions f1,141 5, 41 5. 42. 43, 40 5. a: Three months £1.146, Kerb: her Grade: Three months £1,139, 415, 42, 41.5, 41, 40, 39, 395, Turnover: 23,225 tonnes, U.S. Producera: 62.50-67.00 cents per pound.

TIN

TIN	D llrerai	<u> </u>	Unolficial	 –
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Settlem't. Biandard.	9836	- 10	-	+81
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and are man	Marria	٠.	and and	

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LEAD | nilicial | - ;Unolficial - +

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Cash	349.S-58		347-8	; —
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			£350,	
three Mo	nthe £333	1. 33.	5. Karb:	Thrae
mobile C	334. 33.5	5. A	frem con:	Three
months 5	34. 34.5.	34, 3	13, 32, 31,	31.5.
Kerb: Thr	se mousi	19_53	32. Turi	lover:
a,625 ton	. v.s.	. spc	n: 21-27	СВПІО

ZINC

ZING	a.m. Official	+ ör	p.m. Unofficial	÷ 01
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three months am 1720-725, pm 1720-725; eartlement 1735.

Zisce-Morning: Cash 1679, 785, three months 1670, 75.5, 77, 77.5, 78, 79. High Grade: Cash 1725, 28. Kerb: Three months 1681, 82, 83. Kerb: Three months 1682, 825, 63, 82, 84. Turnover: 12,275 tonnes, U.S. Prime over: 12,275 tonnes, U.S. Prime

185.7! 140.25 508.25 547.5 531.36 5967 21.251 130.80	-10 \$1 5+5,25 5+6,6 -7 -1 -2,87 -5 -2,45	2ge
185.71 140.23 509.25 547.5 531.25 5967 21/251e 150.80 205.04	-10 \$1 5+5,25 5+6,6 -7 -1 -2,87 -5 -2,45	£1100 210/18 £1080 £342 £362, £352, £5857 211/881
185.71 140.23 509.25 547.5 531.25 5967 21/251e 150.80 205.04	-10 \$1 5+5,25 5+6,6 -7 -1 -2,87 -5 -2,45	£10.18 £1080 5342, £362, £352, £5857 £11.681
140,25 508,25 547,5 531,26 5967 21,251 150,86	-7 -1 -2,87 -5 -2,45	£1080 5342 £362 £352,7 £5857 211/811 \$146,
140,25 508,25 547,5 531,26 5967 21,251 150,86	-7 -1 -2,87 -5 -2,45	£1080 5342 £362 £352,7 £5857 211/811 \$146,
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205.00		
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Zier	C599 E	. 0	CE SE

Producere	5900	•••••	5000	
3 mthe	£602,75	+1.76	1620,5	
Zinc	.£683.5	+9	£626.5	
Wolfram 22 4416		~- 1.0		
Tungsten				
S mtha	£9678.5	+ 61,5	£9687.5	1

ALUMINIUM 70 1 1 1 7

Alumin'm	a.m. Diligiai	+ or	p.m. Unollicial	!+-
Spot 3 months	£ 026-,a 940-,S	-7.5 -8	£ 225 947	18
26 5. 27. 50, 49. 4 Kerb: Th 47.5. All	three mo 8.S. 49, reo mont ernoon: T 47.5, 47.	ntha 47.5, hs £ hree Kerb	g: Cesh £950, 51, 49, 48.5, 948, 47.5, months £9 : Three mo	50.1 50 1

NICKEL

	NICKEL	a.m. Official	+ or	p.m. unoffici	ļ.
	Spot 3 months	41 65-30 4146-50	1274 -59,5	4160-76 4155-76	0:
i	Nickel- months fa months f	Moming: 4,165, 60, 14,150, 80	50, 4	6. Karb:	Th

GOLD

Gold lell to its lowest closing level lince July 1982 in the London bullion ames July 1982 in the London bullion market yesterday to finish at \$309-309-1, a fall of \$7 an ounce from Monday's close. The opening level of \$305-307 proved to be the day's low and the metal improved to be fixed at \$308.25 in the morning end \$309 in the alternoon, ettracting light support efter the opening of New York, LONDON FUTURES

Month	Yasi'days close	+ or	Bueinas
Nec Feb	5 per troy ounce 312,10-12,20		. • 512.10.16J
Tumove ounces.	r: 294 (235	<u>'</u> . –	_

ounces.	200 27 700 20
GDLO BULLIAN Ifine or	incel Dec. 18
Close \$300-3001 ₃ 0 pening \$306-307 M'ni'g lix, \$508,25 A11'n'nlix, 5300,00	1£26034.261 L 1£268.2691 (£250.732) (£260.540)
GOLD AND PLATIN	UM COINS
Krgi rad. \$319 u-320 1- Krug. \$1641; 1551; 1- Krug. \$84.84; 1- 10 Krug. \$54 1-36 Mapio leaf \$3121, 390 New Sov. 875 1-753; Abew \$50x. \$441-454; Ilid Bov. \$7310-76 \$500 Eagle \$660-90 Noble Plat \$3031, 3061;	(C260-8603 ₂₁ (£1383 ₂₋₁ 391 ₄ (£1383 ₂₋₁ 712 ₂) (£293 ₄ -991 ₂) (£269-2693 ₄] (£013 ₄ -621 ₄] (£371 ₄ -381 ₄] (£92-331 ₄ 1 (£956-259 ₁

PRICE CHANGE
Dec. 12 + or Month
£1100£1100 £1160/186—10 \$1710:1240
e_f1t85.75+5.25
£347.5 —1 £365 £331.26 —2,87 £352.75
25967
z,6130.80 —2,45 \$146,85 \$205,04 —4,5 8324,26
1,5300;315 + 2,90 \$300;310 2534 50p — 16,00 582,60p 545,90p — 16,30 013,60p
£8906.5 +31.5 £0715 £9878.5 +01.5 £9687.5
\$65,60 +3,18 863,34 HIB \$74,76
3.3633 9+ 3.6353

Ner troy oz534 50p — 18.00 582.60p 3 mtha545.90p — 16.30 013.60p in cash58906.5 + 21.5 £755.75 5 mtha£8905.5 + 21.5 £756.7.5	Gas Oil Jan. 5275.25 +1.5 \$335.25 Rubber ikilo) 51.5p + 0.5 60p Sugar iraw) 51.02xv +1.5 8112.5 Woolt'ps 64a 487p kilo 470p
ungaten \$65,60 +3.18 883,34	
olfram 22 441b \$74:76 1.0 578:81	\$ Unquoted, v Jan. z Fab. y Jan-Fab.
6.6263	x Oec-Jan. † Per 75-Ib flesk, n Nominel.

Fredutere	9300		5000
Producers	.1682,75 6900	+1.75	
Zinc	.£683.5	+9	£626.5
Wolfram 22 Wit	\$74.76	~- 1.0	57a:81
Tungsten		+ 3.18	883,34
5 mtha			

SILVER

	Silver was fixed 15p an ounce low
+ or	lor spot dalivery in the Landon bullio
-1	market yesterday at 534.5p. U.S. cer
<u> </u>	equivalents of the fixing levels wars
-6 -2	soot 632c, down 28.5c; three-mont
	645.1c, down 25.5c; six-month 661.1c
-8	down 26.8c; and 12-month 693c, dow
	29.3c. The metal opened at 529.533
927.	(628-633c) and closed et 538-541
0.5.	(638-641c1.
	1030-04101.
49.	· - · · · · · · · · · · · · · · · · · ·
47.	SILVER Bullion or LME

SILVER per troy	Bullion fixing price	+-01	LM.E. P.M. Unoffle	1+
5,00t 6 months 12months	546.90p	1-16.1 1-16 C	051p	:=: i ::
LME—(3 (546p); t Tumover;		contre 1ths 5	ct): cash 551p (55	53 8.5p

	12months:586.80p :-17.0 —
	LME-(2,000 oz contrect): cash 53 (546p); three months 551p (568.5p
t	Turnover: 0 (0). Turnover: 50 (52) lots of 10,000 of
	Morning: lerge 1at rine three mont 547, 2nd rine three menths 545.9, 45.
_	Kerb: lerge three months \$48. After noon untraded.
_	

COCOA

	Yasterday's	4	
COCOA	Close	+ or	Busines
	£ per tonne		
Merch	1938 1840 1833 1834	+ 12.0	1839 181
May	1830 1845 1843 1845	+11.5	1844-182
Sept	1845.1852	+80	1254-194
Mar	1810-1815	+15.0	1895-189

Sales: 2.282 (2.835) lots of 10 tonnes. ICCII indicator prices (U.S. cents per out). Bally price for December 18: 5.19 (98.09); five-day average for lecember 12: 96.69 (27.12).

COFFEE

	-		i	
	January	2221-8823	-11.0	2254-80
	March	2211 3213	-15.0	,8247 11
٠	May	2201 2202	-10,0	18228 97
	July	2200 2205	-15,6	a205-04
	Sept	2192-2201	-14.0	0285-02
	Nov,	.9205-9210	_6,e	2225-10
	Jan	2200 a211	:-1.0	ı –
	Salas: 2	01 (1.110)	lots o	1 S 10h##8.
	ICO India	ator price	TILS	cents per
	pound) for	Dacamba	17: (nma daily
	1979 134.1	1122 621	15.4	A SABLASA
	101-3 10-11	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	10.01	.,

Spot |185.5 -124.87 125.84 | 27.74 Fut |110.44,125.36 |128.88 | 144.8 (Baes: Occember 31 1974 - 100)

INDICES

REUTERS

MOODY'S

DOW JONES

FINANCIAL TIMES Deg. 17 Dec. 14 M th ago Year 280 288, 31 287, 37 293,97 293,07

(Base: July 1 1952 - 100)

Dec. 18Dec. 17M'th agoYear ago

1900,5 1903,1 1869,7 1271,8

Dec. 0 | Dec. 6 |M'th agolyearage

964.2 968.3 567.0 1054.3

(Base: December 31 1931 - 100)

Jones 0 5 ago ego

	GRAINS		
r	WHEAT	\top	BARLI
i	Yesterd'ye +	OF Y 04	terd'e +

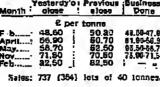
п	Jen) i_Q	20. 110	0.00	١,
	Mer	113.8	5 -0.	20, 118	1.05	1+
p		115.85		25 115		.4
р		118,60				•
	Sene	OS O	5 ! ~		7.75	r
-	Nov	101,4	<u> </u> -0.	95, 100	,05	i.
×	LON	DDN G	RAINS-	-Wheat	: U.S	
	northe	re eprir	S No	1 15 p	er ca	пІ
		Feb 1				
_		ent 686				
.5		inrer Ja				
_	Englia	h laad	top 1	an 113	L Fel	b
	April/	Juna 1	18 ee	lers (Past	C

Bid crops waskaned initially but met good mixed buying which tallied the market. Now crops remained about unchanged in thin treds, reports Moir-



POTATOES

Norvous short-covering shead of the



GRAINS					
WHE	AT		B/	RLEY	
Mnth	Yesterd'ye	+ or	Yesterd'e	+ 01	
Jen	109.70	-0.20 -0.20	110.00	+0.4	

July 118.60 -0.05
Sept 02.00 - 07.75 Nov. 101.45 - 0.55 100.05
northere epring No 1 15 per cant . 164.95, Feb 157.60, Meich 170.20 tra
ehipment eset coset. U.S. No 2 red winter Jan/Feb 146.25, March 1
English land tob Jan 113, Feb 1 April/June 118 exilers east com
Seriey: English lead lob Oac 112 Peterhead, Oac 115.50 Ipswich.
114 Sceton eallers. Rast unquoted.

PIGMEAT

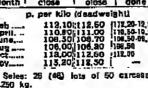
Month Yesterdeys Previous Business
Close olose done



PMA meeting pushed prices up 80p in £1.00 during thin membras business. An altempon statement from the PMS ennouncing its failure to agree a ehunge in riddle size caused a very rapid fell, reports Coley and Harper.

HGCA — Locational ax-lerm apot prices. Feed barley: S. East 108.50, W. Mids 106.50, N. West 105.30. The IIK monotary coefficient ler the week beginning Monday Occember 24 (based on HGCA calculation using 5 days' exchange mites) is expected to remain unchanged.

Prices closed alightly lewer in duli conditions due to weeker physicals, raports 665T Commodities.



Yesterdy'o Previous Business close Boss Done

OIL

SPOT PRICES

RUBBER

SOYABEAN MEAL

The London market opened un-changed in very ective trading, mooth T. G. Roddick. Good volume was asen on commission house trading heavily

on option			
	Yesterday	+ or 8	Done
April June August	£ 127,5-157,5 -148,5-144,8 -148,5-144,8 -148,5-144,8 -148,5-147,0-148,8 -147,0-148,8 -148,5-150,5	+0.55 16 +0.56 16 +0.16 +0.05	 H. 4 H. 5
Colons 1	010 (11) le	es of 2	1 tonnes

SUGAR

Con- tract		elase	dono
		tonhe	
May Aug Oct Oec	175, 2, 125, 4 183, 0, 185, 4 183, 2, 145, 6 180, 2, 150, 5 188, 8, 188, 0 170, 9, 172, 4 176, 8, 179, 4	182 4 182 6 142 6 145 0 149 6 150 2 156 4 197 2 179 8 171 8	163.4 160.5 146.0 141.4 150.4 140.4 156.0 155.6 171.8 170.5
Tete	: 3.063 (2,3 and Lyle red basis	delivery	price lor

GOLD and silver continued under pressure despite evidence of profit-taking and speculative buying as overseas selling continued to be a depressing influence, reports Heinold Commodities, Copper was steady as light buying emerged on the rally in stock values along with the cut in

Hasvy luci oil Jan.

Month	Yest'de y's	+ 01	Businose Done		
	5 U.S. per tonna 622.50	+6 00	228.00 21.00		
eb	225.00 225.00	+ 1,50	228,58-24,75 228,25-24,50		
erch pril ay	812,00		222,75-21,66 222,00-19,00 4 16,90		

Tumover: 2,031 (1,809) lots of 10

pty2iCALS — The London merket opened unchanged, affracted little interest throughout the day and closed eightly aironger, reports Lawis and Peat. Closing prices (buyem): Spot 81.50p (\$1.00p); Jan 72.00p (71.50p); Feb 73.00p (72.00p). The Kuele Lumpur Dec fob pince for \$55 No 1 was all \$4.000 for \$55 No 1 was all \$6.000 for \$55 No 2 was all \$6.000 for \$65 No 2 was all \$65 No 2 was al 121.6 (192.5), and for 5MR 20 was 183.5 (184.5).

n options.				
	Yesterday	+ or:	Ausiness Done	
prii une uoust ctober	£ per tonns 127,5-157,5 148,5-144,8 148,5-144,2 148,5-147,0-148,5 148,5-150,5	+0.55 +0.55 +0.15 +0.05 +0.25	143.4 140.5	
Sales: 1	1.010 (11) lo	ts ol :	20 tonnés.	

tract						
	5 per tonhe					
Mar 175.2 1 May 153.6 1 Aug 143.2 1 Oct 150.2 1 Occ 158.9 1 Mar 176.9 1 May 176.8 1	23.4 182 4 182 43.6 142.8 143 150.5 149.8 158 58.0 156.4 107 72.4 179.8 171	.6 ; 163.4 160.8 .0 : 146.0 141,4 .2 : 150.4 140.4 .2 : 156.0-155.4 .8 : 171.8-170.0				
Sales: 3.063 (2,385) lots of 50 tonnes. Tate and Lyle delivery price for granufated begis auger was £191.00						

U.S. MARKETS

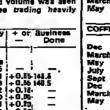
values along with the cut in the U.S. prime rate. Sugar found limited support on trade buying possibly linked to new sales to the USSR or

India. Cocoa continued featureless with some traders reluctant 10 pursue the short side due to the slow pace of Rahia arrivats. Coffee was sharply lower on long liquidation wheat of December. tion ahead of December expiry. Colum showed a firm tone in the nearbys based on

recurring concerns over quality problems. Heating oil prices advanced slightly on short-covering ahead of the Opec meeting. Soyabeans and wheat both responded to strong export premiums and finished higher on good com-

NEW YORK

Close 48.95 49.00 49.45 49.80 50.70 61.55 52.40 53.75 54.20 50.15 50.90 61.50 52.40 53.76 55.15 COCOA 10 tonn 2058 2072 2071 2080



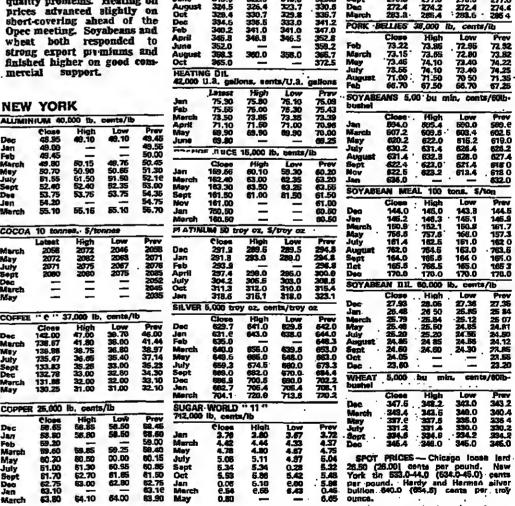
0 (0) lots of 100 tonnes

The market began to consolidate at the lower levels, which appeared to be a technical serrection after the recent severa decline, reports C. Czamikow.

DCT 150.2 150.5 149.8-150.2 150.4 144.4 Dec 158.8 158.0 [156.4 107.2] 158.0-155.4 dar 170.9-172.4 [179.8-171.6 171.8 170.0 day 176.8 179.4 [177.0-178.8]	1103
Sales: 3.063 (2,385) lots of 50 tonnes. Tate and Lyle delivery price for transfeted basis sugar was £191.00 [189.00] a tenns for export.	SY orde lian
International Sugar Agreement— U.S.	572 C

The pig herd also fell sharply, to 6.54m head down 5.7 per cent. The national sheep flock, however, was up 1.3 per cent to 16.2m head. The census showed a continuing decline in the agricul-

LIVE CATTLE 40,000 fb, cons/ Close- High Low
Fig. 25 87.42 87.12
Feb 68.07 88.50 88.05
April 97.42 67.67 83.36
June 67.07 67.42 66,00
August 65.15 65.35 66,02
Oct 63.07 63.36 63.02
Dec 84.60 84.60 64.45
LIVE HOGS 30.000 lb, cents/lb Close High Low 52.22 53.30 51.95 51.80 82.22 51.76 48.12 58,45 58.07 Dec 26.65 26.69 26.65 26.65 26.68 47.40 GOLD 100 troy oz. 5/troy oz MAIZE 5.000 by min. cents/56lb-bucha Close 257.0 268.6 275.2 273.0 276.0 272.4 283.3 - High 269.4 270.4 276.0 280.0 277.5 274.2 285.4 Close 308.7 309.5 311.5 315.4 319.9 324.5 328.4 3340.2 340.2 352.0 368.3 365.0 Prev 314.0 214.6 316.3 325.8 330.6 336.7 341.2 347.0 352.8 358.7 372.5 High 310.II 256.5 268.0 274.0 278.6 276.8 272.4 : 283.6 309.5 313.5 318.0 323.7 329.8 333.0 341.0 346.5 Close 73.22 73.15 73.46 73.55 71.00 66.70 High 73.86 73.65 74.10 74.10 71.50 67.50 358.0 360.0 ns, cents/U.S. cellons



OTHER MARKETS

LIVERPOOL—Spot and shipmehl sales amounted to 40 tonnes. Activity was on a restricted scale and operations were only tentative. A screppy demend came lorserd in certain African styles with Middle Eastern types in modest request. Users did OOL FUTURES : buyer, seller, buoineee). Aueiro-eents per kg. Dec 57.0.0, 573.0, 590.0; July 595.0, 596.0; Oct 590.0; July 595.0, 596.0; Oct 595.0; Dec 582.0, 588.0; Merch 595.0; Mey 535.0, 600.0 (Merch

COTTON

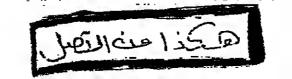
LOMDON NEW ZEALAND CROSS-BRED—Closs (in order: buyet, seller, business). New Zealand cents per kg. Dec 501. 508, nil; Jen 507, 509, nil; March 516, 517, 517; Mey 524, 525, 524; Aug 540, 541, 541; Det 541, 543, 542; Oec 541, 544, 843; Jen 544, 545, nrl; March 653, 556, nll; Mey 557, 560, nll; Mey 567, 560, nll;

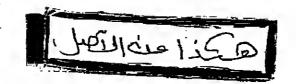
SUYABEANS—(U.9. S per tonnel:
U.S. No. two yellow Guliports effoat
241.25, Jan 241.70, Feb 243, Merch
245.40, April 247.30, Mey 248.80, June
251, July 251.30 sellers.

SOYAMEAL—(U.8. S per tonne):
44 per cant efoat 165, Dec 186, Jen
155, Jen March 185, April Sept. 174

Dec 180. Jen 161, Feb 181, Merch 178. April and May 178, April/Sept 177. Asilers. Pellets Angestine effort 174-170. Dec 167.50. Jen 107, Feb end March 170. May/Cic 174 sellers. WHEAT—(U.S. S. per tonne): U.S. two soft red winter Jen 157, Feb 157. March 155.50. U.S. two northern apring 14 per cent protein Dec 177, Jen 181. Feb 183.50. March 186, April/May 172. U.S. northern spring 16 per cent protein April/May 188.50. U.S. three hard smber durum Dec 200. Jen 202, Feb 204, Merch 205, April/May 183.50. Jume 186, Sept 184. Canedian one wessem ember durum April/May 207.50.

MAIZE—(U.S. \$ per tonne): U.S. three yellow effoat 132.50, Osc 130.50, Jen 129, Feb 130, March 131, April/June 132.50, July/Sept 134.00 sellers. Argenties Pists March 138, April/Julio 138 sellers.





coocerled ettempt to influence

the market. Trading volume was comparatively low with the

French franc rose slightly to DM 32.625 per FFr 100 from DM 32.613 as did the Belgian franc to DM 4.9820 per BFr 100 from DM 4.9790.

STERLING EXCHANGE RATE

INDEX

(Bank of England)

73.8 73.8 73.8 73.5 73.5 73.6 73.7 73.6

\$.30 am 73.7 9.00 am 73.8 10.00 am 73.8

.....

11.00 am

£ in New York

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Pound at new low on oil fears

sterling fell to its worst level ever yesterday as the market reacted to fears of lower oil prices. Opec ministers meet today in Geneva to discuss price differentialo and production levels and there was concern that this could affect the price of North Sea oil, Ironically UK earnings from North Sea oil received another boost since oil payments are made in dollars. Despite the sbarp fall, trading volume remained very low and there appeared to be very little to ease. Federal funds in terms of the yen al Y246.70 from Y247.50 and FFr 9.4725. On Bank of reduced its prime rate to 10½ per England figures, its index fell to softer turn amid speculation of a reduction in the US, discount rate to 8 per cent. Figures for US. Desponal income west much in line with expectations although US, housing starts months ago.

The dollar was fixed at providing further support for those suggesting a slow down in the US, economic growth. received another boost since oil payments are made in dollars. Despite the sbarp fall, trading volume remained very low and there appeared to be very little to tempt traders back into the market this side of the New Year. Sterling's index fell to 73.6 at the slotch british result with the second with Sterling's index fell to 73.5 at the close, having touched 73.5 at noon. Thie was against Mooday's close of 74.1 and a six months ago figure of 79.5. Against the dollar the pound touched an all-time trading low of \$1.1795 before recovering a little to close et \$1.1855-1.1865, itself a record closing low and down 50 points from Monday. Eisewhere it

from Monday. Eisewhere it slipped to DM 3.6800 from DM 3.6875, its lowest level since April 1983 and SwFr 3.0125 from SwFr 3.0375. Against the yen it fell to Y292.50 compared with The dollar finished a little

Y294.75 and FFr 11.2225 from lower as U.S. interest rates con-

U.S. economic growth.

The dollar closed of DM 3.0870
against the D-mark down from \$8.0800 on Monday and the fixing. Early open market lotervention by the SwFr 2.5220 compared with SwFr 2.5490. It was siso lower

EMS EUROPEAN CURRENCY UNIT RATES

positive change denotes e Changes are for Ecu, therefore

months ego.

The dollar was fixed at DM 3.0944 at yeaterday's fixing in Frankfurt compared with DM 3.0965 on Monday and the Bundesbank sold s nomins! \$8.05m at the fixing. Early open market loterpreption by the

POUND SPOT-FORWARD AGAINST POUND 1.16 0.37-0.32 pm 1.16 -0.7; 0.12-0.26dis -0.49 3.89 41-31 pm 3.81 -1.14 13-21 die -0.92 -2.09 7-81 diu -2.35 -5.11 1.09-1.33dis -4.84 -5.11 1.09-1.33dfg 4.10 37-32 pm -24.21 530-1670dfg --4.45 140-195 dfg -5.22 55-29 dfg --3.98 87-99 dfg --1.88 27-37 dfg --2.00 57-57 dfg -3.45 2.60-2.47 pm 1.46 137-94 pm

1.1865-1.1865
1.5610-1.5630
1.5610-1.5630
1.3.4.14
23.45-73.55
13.11--13.12
2.52-0.590
1.1720-1.1740
2.0.20-0.590
2.253-2.254
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2.253-2.254 202.00-203.10 2,2484-2,267 10.57-10.63% 11.18%-11.24% 10.44-10.61% 291%-293% 25.60-25.76 1.46 1374-914 pm 4.23 31-314 pm 3.00%-3.01% Belgian rets is ter convertible francs. Financial franc 73.95-73.95. Olu-month forward dollar 0.42-0.37c pm, 12-month 0.30-0.16c pm.

OTHER CURRENCIES

Dec. 15	. £			£ Note Rates
Argentina Peso Australia Dollar. Brazil Cruzelro Frinland Markka. Gruak Orachma. Hongkong Dollar Iran Rial KuwaitOins rikOi Luxambourg Fr. Malaysia Dollar Naud Arab Rival Singupora Oollar Sth African Rand U.A.E. Dirham	1.4156 1.4178 3.540 3.568 7.6165-7.6246 149.05-152.06 9.2740 0.3640 110.90° 0.35904-0.3690 73.45-73.55 8.8670-2.8630 4.2150 4.2240 8.5730-2.5790	1,1950.1.1000 2,893-8,008 6,4400-6,4420 125,60-128,14 7,8300-7,8830 93,204 0,30345-0,50356 81,95-62,05 2,4125-4,4145 2,067-6,9706 3,5505-3,5610 2,1730-2	Austria	18,06.13.18 11,18-11.26 5.66-3.69 2245-2870 291-296 4,113-4-1.53 10.56-10.66 201-211 198-2081 10.44-10.00 3,01-3,04
		n Selling rates.		

DOLLAR SPOT-FORWARD AGAINST DOLLAR

Dec 18	Day's	Close	One menth	p.s.	months	% p.s.
UKİ	1.1795-1,1685	1.1855-1.1865	0.13-0.10c pm	1.18	0.37-0.32 pm	1.10
Irelandt	1.0097-1.0120	1.0110-1.0120	0.67-0.52c pm		1.47-1.37 pm	
Canada	1.3173-1.3204	1.2178-1.2183	0.22-0.25c dis		0.52-0.57dia	-1.65
Nethind.	3,4775-3,4960	3,4850-3,4860	0.88-0.85c pm		2.51-2.48 pm	
Belgiura	61.92-62.14	e1.95-67.05	9-10c die		21-23 die	-1.42
Denmurk	11.023-11.084	11.063-11.064	0.30-0.35ora dis	-0.35	0.77-0.83diu	-0.2
W. Gbr.	3.0600-3.0983	3.0865-3.0875	0.22-0.77pl pm	3.08	2.38-2.31 par	3.02
Portugal	1654-167	166-1664	175-525c diu		500-1450dls	
Spein	170.72-171.15	170.90-171.10	62-75c dls		180-185 dia	-4.03
italy	1,8961-1,907	1,8981-1,8991,	10-10% fire dis	-0.54	28-27 dia	-5.57
Nosway	8.93-8.96	8.94 - 8.95	3.40-3.90ore dia		9.40-8.90die	-4.31
Frence	5.45-3.484	0.45 - 9.48	1.85-2.00c dia	-2.44	4.50-4.30diu	-1.96
Sweden	8.82-8.96%	e.834-8.834	1.80-2.30ore din	-2.79	5.80-6.30dia	-2.74
Japan	246.50-247.10	245.65-245.75	0.51-0.47y pm	2.38	1.50-1.45 pm	2.3
Austria	21.63 - 21.734	21.68-21.70	11 Lara pm	0.66	61-31 pm	0.92
Switz.	2.5210-2.5535	2.5215-2.5225	0.73-0.67c pm		2.29-2.23 pm	3.54
1 UK	and ireland a	re quoted in U	.8. currency. F	orward	pmmiuma a:	nd

CURRENCY MOVEMENTS CURRENCY RATES

CONNERCT	MOVE	MEU 12	COMILE		WIL	153
Dec 16	Bank of	Morgan Guarant'y	nec. 15		Prawing Rights	Europ'n Currenc Unit
		Changes	eterling		0.836548	
terling	73.6	-18.7	Canedian &	10.00		0.95143
.S. dollar	140.7 90.4	+29.0	Austria Sch. Belgien Fr.		31,4092 01.3629	13.0555
ustrian schilling.	110.8	+8.8	Danish Kreen	7	10,9440	7,98484
leiglan franc	76.7	-10.4 -5.4	Guilder		3.06767	2,22967
wise franc	120.8 140.8	+0.3	French Fr	812	9.37438	6,83634
uilder	110,7	+3,0	Yen		1884.18	1373,71
rench tranc	63.0 46.8	-10.3 -14.0	Norwgn		5,84278	6.45828 133.380
eh	166.8	+12,4	Spanish	9	5,73455	6,87715
			Swiss Fr Greek O'reh		125.512	91,3718
Aurgan Guaranty	chan ges		Irlah Punt			0.71375

EXCHANGE CROSS RATES

Dec. 13	Pound St'rling	U.S. Doller	Deutsche m'k	1'panese Yen	FrenchFrano	Swiss Franc	Duton Gulid	Italian Lira	Canada Dolla	Bolgian Fran
Cound Sterling	0.848	1,186	3.660 . 8,087	832,e . 246,7	11.25 9,45 0	. 3,013 5,522	.4.130 3.486	лоб4, 1890,	1,582 1,517	78,50 62,00
Deutchemark	0.278	0,324	1.	79,92	3,066	0.885	1.130	616.7	0,457	20,08
Japanese Yen 1,000	5.419	4,055	12.01	1000.	38,37	10.30	14.14	7704,	0,340	261,3
rench Franc 10	0,851	1,067	3,961	560,6	10.	2,684	3.685	8008,	1.308	80,48
wise Franc	0,338 .	0,894	1,210	97,10	3.725	1.	1.373	748,0	0.018	84,40
utch Guilder	0,845	0.287	0,886	70,74	2,714	0.729	1.835	045.0	0,578	17.78
talian Lira 1,000	0,444	0,586	1,524	189,8	4,980	1,537		1000.	0,693	32.02
Canadian Dollar	0,640	0.709	2.343	187.3	7.185	1.929	2.647	1443,	0.120	47.08
Belgian Franc 100	1,861	1.814	4.880	895.0	10.87	4.099	0.026	3068.		100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Dec. 19	Sterling	U.S. Dollar	Canadian Dollar	Dutch Gullder	Swies Franc	D-mark	French Franc	Italien Lira	Conv.	Fin.	Yen	Rrone
Short term	9 914 916 918 916 918 614 918 918 913 918-1018	7-714 712-512 614 5 50 512 678 9 919 984 978	51g-101g 101g-101g 101g-1014 101g-1014 101g-1012 101g-1014	01g-05g 01g-01g 05g-03g 05g-03g 01g-01g 01g-01g 01g-01g	14.2 14.8 04.54 41.54 41.0 41.0	04 04 04 04 04 04 04 04 04 04 04 04	107a 11 103a 11 103a 101a 105a 107a 111b 111k 116-111b	141a-1512 1434-1034 141a-146a 1414-1434 1439-1444 1436-147a	1014-1054 1014-1035 1014-1054 1014-1054 1014-1054 1014-1054	1012 1034 1012 1034 1012 1034 1012 1034 1012 1034 1012 1034 1058 1038	64 04 64 64 04 64 04 04 04 64 04 64	1154-151 19-161 1154-12 1112-18 1139-117 1114-113

Asian \$ (clouing rares in dingapore): Short-term 7***...*3*** per cent: aovon do ya 8***** per cent: one rapath 6**** per cent: three yours 11**-11** per cent

MONEY MARKETS

London keeps its nerve

Interest rates moved nervously higher for the longer periods on the London mooey market yesterday. This followed sterling's fall to a record low on the foreign exchanges, hur as the pound picked up from its worst levels touched just before noon, interest rates eased back slightly.

Three-month interbank showed little reoction throughout, trading at 91-914 per cent on Monday.

at 99-94 per cent, compared with 911-912 per cent on Monday, while discount houses buying rates for three-month bank hills firmed slightly to 91-95 per cent from 95-91 per cent. In general the morket showed little eign of nerves, with dealers

UK clearing banks' base lending rate 91-91 per cent since November 23.

more concerned ehout today's credit shortage, which is expected to be very substantial as a result of VAT payments. This will follow two days of very comfortable conditions however, and It is hoped that the houses will now have sufficient bills to sell to the Bank of England to relieve the shortage without too much trouble. trouble.

Despite the weakness of sterling sectiment was helped by the overnight decline of U.S. interest rates, a situation which con-

FT LONDON INTERBANK FIXING

(11,00 a.m. December 16) 3 months U.S. dellars						
bid 8 9/16	offer 9 11/18					
e months U	.S. dellers					
bid 9 1/8	offer 9 1/4					

The fixing rates are the erithmetic means, rounded to the cearest one subtounts, of the bid and offered rates for goods by the market to five telerence banks at 11 am each working day. The banks are Nettonal Westminster Bank, Bank of Tokyo, Oautsche Bonk, Banque Nationale da Paris and Morgan Guerenty Trust.

the Federal Bills maturing in officiel hands,

repayment of late assistance and a take-up of Treasury hills drained 1121m, with the un-winding of repurchase agree-ments absorbing 188m, and o rise in the note circulation shead of Christmas another £230m. These were largely offset by Exchequer transactions adding £275m to liquidity and bank balances above target by £80m.

MONEY RATES

	Dec. 15	Frant lurt	Paris	Zurich	Amet'eara	Tokyo	Milan	Brussels	Dublie
ree :	onths	5.75-0.90 5.70-0.80 5.70-0.80 0.70-0.50	10% 10% 10% 10% 10% 10% 10% 10%	81a 85a 0 & 5 d 0 01a	015 556 024 079 034 078 512 5 13	6.55125 6,53150 6,26165	1616-1714 1078-1714 10:0-1714	_	145-147 144 15 143-10 143-10 143-145
terve	nlion	· –	1034	· –	034	–	I — 1	ı – ;	_

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Dec. 15 1984	Sterling Dertificate of deposit		Authority deposits	Company Depoults	Market Deposits	Treasury	Treasury (Sell)	Eligible Bank (Buy!	Eligible Bank (Sell)	Fina Trade (Suy)
Overnight	60 676 676 686 686 686 686 686 686 686 686	0 6 	034-814 814-9 874-018 914 036 834 812 10	712-834 0-636 636 534 676 —	0 5 tq 			0 :: S 64 9 14 - 0 45 9 14 - 0 45 6 54 - 9 15	034	10 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0

	_					
	Local Auth negotiable bonds	Local Authority Deposits	Finance House Deposits	f Cert Of Deposits	SDR Linked Deposits	ECU Linked Duposits
One month Two months Three months Six months Nine months One year Two years Three years Four years	10 03 10 14 - 10 10 14 - 10	10½ 10¾ 11	91a 95g 10 10 10 10 10 10	9.5-8,4 8,4 8,5 9,45 9,55 3,7-3,9 9,1-8,5 0,4-9,0	7% 81g 7次 8d 7次 8d 7以 8d 6c 5 6 66 · 0元	91g 916 616 846 516 94 516 612
Five years		1118	: — i		-	! —

ECGO Fixed Rete Euport Financo IV: Average Rete of Intercal period November 7 to December 4 1984 (Inclusive): 8.904 per cent. Local authorities and finance houses seven days' notice. Others seven days' fixed. Finance Houses Base Rato (published by the Finance Houses Association): 10°; per cent from December 1 1964. Looden and Scottigle Clearing Bank Rotes for lending 81-94, per cent. London Deposit Rotes for lending 81-94, per cent. London Deposit Rotes for lending 81-94, per cent. Cartificures of Tox Oeposit [Jories 6]: Oogeelt (100,000 and over half under one month 94, per cent: one-three results 84, per cent: three-aix months 94, per cent: time-nes months 10 per cent; nino-12 months 104, per cent. Under £100,000 91, per cent from November. Deposits hold under Serieu 5, 10 per cent. The rate for all daposits withdrawn for cesh 7 cer cent.

MONEY RATES NEW YORK (Lunchtime) Treasury Bille One month
Two month
Three month

Treasury Sonds

FINANCIAL FUTURES

Eurodollars firm

comparatively low with the dollar opparently shrugging of the potential effects of lower U.S. interest rates.

Elsewhere sterling fell to DM 3.6560 from DM 3.6900 as oil price fears undermined confidence. The Swiss franc was also lower at DM 1.2130 from DM 1.2138. Within the EMS the French franc rose slightly to Dollar decomicated interest on the London International rinnicial rutures Exchange yesterdsy. The failure of the Federal Reserve to drain liquidity from the New York banking system on Monday, when Federal funds fell below 8 per cent. increased speculation about a cut in the U.S. discount rate. a cut in the U.S. discount rate. Eurodollar and Treasury bond contracts also received a boost from the 1 per cent cut to 101 per cent in bank prime lending rates. The announcement of a fall in November .U.S. housing steris came as 0 surprise and added to the conceptive very bullish

> THREE-MONTH EUROCOLLAR Sim Close High Low Prev
> March 90.64 90.70 90.52 80.33
> June 90.12 90.16 89.99 89.86
> Sepi 89.66 89.10 89.65 89.39
> Oec 89.24 89.27 89.24 89.90
> March 89.89 — 88.83
> Est volume 4.214 (3.715|
> Previous day'n open ini 9.103 (8.987) December 13 | Prev. close 31.1210.1.1820 (1.1565.1.7270 (0.10-0.07 pm | 0.06.0.07 pm (0.26-0.22 pm | 0.23-0.20 pm (0.05-0.10 dia | 0.23-0.33 dia THREE-MONTH STERLING 6250,000 points of 100% Est volume 1,110 (50)
> Pravious duy's open im 4,794 (4,687)
> "C500,000 points of 100%

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100% Previous dey's open int 3.002 (3.655) Basin quote (clean cash price of 13½. Terseury 2003 inse equivalent price of nuur trustes contract! —10 to OTERLING E25,000 \$ per E | Close High Low Previous | 1.1822 | 1.1850 | 1.1785 | 1.1883 | 1.1815 | 1.1825 | 1.1794 | 1.1823 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1.1820 | 1. DEUTOCHE MARKS DM 125,000 S per

Est volume 9 (1) Previous day's open int 149 (149) SWISS FRANCS SWF: 125,000 \$ per SWF: March . 0.3968 Est volume nii | Inii)
Previous day's open bil 113 (113) March 0.4074 — 0.4051 Dec Grand Previous day's Open int 127 (270) JAPANESE YEN Y12.5m \$ per Y100 * C\$/SOR mts for Det 17: 1.30472

FT-SE 100 INDEX £25 per tull todek

Dollar decomloated interest room to reduce interest rates, rate contracts were very firm March Eurodollars opened of on the London International 50.54, and after touching 90.70 closed at 90.64, compared with years of the

90.38 previously.

Treasury bonds for March delivery begsn at 71-28, sod floished at 72-09, against 71-10 on Monday.

Gilts opened steady at 107-15 for the March contract, but failed to susiain this level, as prices on the cash markel fell snd sterling slumped to a record low on the foreign exchanges. After falling to a low of 106-28 it rallied however, following the news about U.S. housing starts, and on publication of the November UK Public Sector Borrowing Requirement, which was regarded as satisfactory, to the geoerally very bullish mood, since it pointed to slower economic growth, giving more

Dec 73-09 74-00 73-09 March 72-09 72-19 71-25 June 71-21 - Est volume 2,899 (1,817) Pravious 8ay's open int 1,981 [CHICAGO

U.S. TREASURY BILLS [IMM) Sim points of 100% Latest High P1.10 92.20 51.63 91.88 91.35 91.42 90.53 90.99 90.58 90.55 90.27 90.32 89.56 89.66 89.66

Latest High 90,65 90,70 90,11 90,17 89,63 89,62 89,27 59,89 89,58 88,58 88,59 68,59 88,59 88,59 88,59 88,59 88,59 90.56 90.47 90.05 89.92 89.53 88.45 89.21 91.05 88.88 89.83 89.66 88.38 89.29 88.09 March June Sept Dec March June Sept - 0.3948 STERLING (IMM) Se per E

1,1820 1,1820 1,1795 1,1820 1,1820 1,1785 1,1820 — 1,1820 1,1800 1,1800 1,1795 GNMA (CBT) 6% \$100,000 32nds of 100% 59-12 68-23 68-02 Prev 69-04 68-16 67-26 67-08 66-25 65-30

Company Notices

Kee:

Mare, Out no subscription
therefor shall be required.

of allocation:

llocated to like shareholders
in the repister of sharees ut 5.00 p.m., December
valuy; 1984 ut the rate of
mares for each share held
modeled bowers. that

on the new shares shall be Junpary 1.
1903. Masters occussary for the
Commance of the new shares shall be
Determined ut u meeting of the Board
of Directors to be held later.
NOTICE DF SECORD DATE
Sharehelders entitled to your at the
profinery general meeting of thereleve expected to be field in the last
of March 1908 shall be liouse
and five register of the sharehelders
and fiveled to be share the sharehelders
and fiveled to the share; showed
and fiveled to be share to be
appearing at the replacer of share,
the shares for five distribution to be

NOTICE OF RATE OF INTEREST

US\$40,000,000 GTD FLOATING RATE SERIAL NOTES OUE 1987

RICOH COMPANY, LTD. KLE4NWORT, BENSON LIMITED Principal Warrunt Apeni 19th Docember 1984.

> HILL SAMUEL OVERSEAS FUND DIVIDEND NOTICE

A. Sividend of U.S.50 34 per share he been declared payuble us from December 14. 1984 us alracs outstanding or December 14. 1984 sogainst surrence of Cospon No. 13.

The shares will be swoted e-adivided as from December 14, 1984. 5 A. Lauembourgeois 43. Boulevard Royul Luxembourg

YK The Royal Bank K of Scotland plc

PREMIUM ACCOUNT Interest per Annum 9.38% (Effective Annual Rate 9.71%) Telephone: 031-557 0201

FT EUROPEAN **TOP 500**

EUROFIMA 71% 1973/1988 US\$ 20,000,000 NOTICE IS HEREBY GIVEN TO Bond-holders of the above lose that the amount redeemable on Fobroary 18, 1986, Is. USS2,000,000 was bought in the Market. Amount Bustundine: USES 000 000 KREDIETEANK

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Lazard Curr. Res. Fnd. L Lazard Curr. Res. Fnd. USS Lazard Curr. Res. Fnd. Y Lazard Curr. Res. Fnd. DM Lazard Curr. Res. Fnd. SF Lazard Curr. Res. Fnd. FF	10.03 10.02 3000 40.05 39.99 100.35	10.04 10.03 3010 40.06 30.00 100.36	9.00 T.875 4.75 4.375 1.125 9.875

Zambia Consolidated Copper Mines Limited and its subsidiary companies Consolidated Profit and Loss Account

Prev 92.05 91.56 91.10 90.75 90.40 90.07 89.50 89.53

Operating and Financial Quarter ended 30 September 1984 Quarters ended Six months ended 30 September 1984 1983 30 September 1984 1983 Sales 1984 Cost of Sales Production (tonnes) Profit on Sales Copper 142 530 147 168 265 053 299 704 Exchange loss 1 831 6 153 Cobalt 758 551 1 337 Lead 2 410 Interest payable Zinc 9 282 18 335 Sales (tonnes) Profit before Copper Cobalt taxation 149 677 158 870 284 941 301 430 1 287 6 274 Taxation Payable 760 662 1 051 Lead 3 475 8 080 -Mineral Export Tax 21 066 8 569 16 734 -Equity Levy Average Realisations

—Income Tax (Kwacha per tonne) Copper Cobalt 2 210 2 579 2 599 2 120 15 348 38 622 41 687 14 764 (Loss)/Earnings 539 802 835 Lead 575 1 000 Zinc 1 732 1740 per Share NOTES:-

Km Km Km 448.7 380.4 841.2 694.1 369.4 313.0 692.3 573.7 79.3 148.9 120.4 (15.5)(15.8)(20.2)Interest receivable 0.8 (30.5)(68.5)(35.6)(56.1)35.8 21.6 66.444.8 (38.2)(21.9)(60.9)(32.6)(1.0) (1.0)(1.9)(2.0)(1.0) (0.5)(0.2)(0.2)Net (Loss)/Profit (3.9) (1.5)2.6 10.0 K(0.04) K(0.02) K0.03 K0.11

The financial summaries are presented in Kwacho, the currency of Zombia.
 In some respects, the accounting principles adopted by the Group differ from those used in the United States of America.
 The Group's Annual Report Form 20-F to the Securities and Exchange Commission describes the major differences.
 At 30 September 1984, the exchange rates were K1=USS0.502 and K1=10.404 and on 3 December 1984 were K1=USS0.471 and K1=10.393.

LUSAKA. 6 December 1984 — Zambia Consolidated Copper Mioes Limited IZCCM) recorded a profit on metal trading of K79.3 million during the quarter ended 30 September 1984, egainst a profit of K67.4 million in the corresponding quarter of 1983.

A company spokesman said the profit before tax for the quarter was K35.8 million, compared to K21.8 million for the same quarter of 1983. He said, however, that after taking iolo account mineral export tax, equity levy and income tax amounting to K39.7 million and exchange losses of K8.7 million the Gcoup iocurred a oet loss of K3.9 million for the quarter, compared with a loss of K1.5 million for the osme period of 1983.

The spokesman said that for the six-month period ended 30 September 1984, the Group made a net profit of K2.6 million, compared to 8 oet profit of k10 million during the same period of 1983.

Sales revenue for the quarter totalied 448.7 million, and

increase of 18 per cent over the K380.4 million for the corresponding quarter of 1983. The average sales realisation on copper, at K2 599 per lonne for the quorter, was 18 per cent higher than the K2 210 per toooe obtoiced for the same period of 1983.

Copper production for the quarter, at 142 530 tonnes, was 3 per

reot lower than the production for the same quarter of 1983, the spokesmao said. Fur the six months' period to 30 September 1984, he odded, copper production was 285 053 tonoes, compared with a production of 299 704 tonges in the

corresponding period of 1983. The lower production in both cases was a reflection of the acute shortage of spares and cases was a reflection of the acute shortage of spares and coosumables as well as transport constroints.

Copper sales for the quarter, at 149 677 tonnes, were 9 193 tonnes lower than the sales for the September 1983 quarter. The Company achieved copper sales of 384 941 tonnes for the six months eoded 30 September 1984, compared with the 301 430 tonnes sold in the some period of 1983. The lower sales, the spokesmen oaid, were due mainly to production constraints

sales, the spokesmen oaid, were due mainly to production constraints
Coball production, of 758 tonnes for the psriod under review, wso 38 per cent higher than that for the same quorter of 1983. Soles of cobalt were 760 tonnes, which was 98 tonnes higher than the 662 tonnes sold in the corresponding 1983 querter. Due to some improvement to demand and tightness of supply, the everage sales realisation for the metal, at K41 687 per tonne, was significantly higher than the K15 348 tealised in the September querter of 1983.

Production of lead and zinc, at 2410 tonnes and 8 644 tonnes respectively, was lower than that for the corresponding quarter of last year.

of last year.

Lead sales of 2.591 tonnes were lower than the sales achieved in the September quarter of 1983, white the Zinc sales of 9.064 toones where higher than those achieved in the same quarter of the previous year. For both metels, however, the sales realisations were significantly higher than for the corresponding period of last year and this was reflected by the improved financial performance to Kahwe Mine. The Board of Directors did not declare a divideod.

INTL. CAPITAL MARKETS

Bond prices advance on

BHF Bank bond average

1984

Fears that the Japanese Ministry

of Finance might introduce a capi-

tal gains tax on zero coupoo issues

Japanese investors are big buyers

In the D-Mark bond market,

ing market. The 10-year bonds have year bonds.

102.843

Low 98.056

ing issues. The longer-term effect of 2% per cent the equity warrants give the right to buy the shares at a such a tax could be more serious, as Japanese investors are birther as Strong decomposition.

Deutsche Bank launched the World issue price for the deal. The coupon stays at 10% per cent for the five-

hope of falling rates

Dec 18

High 103,042

Fitzwillum

- Substantial increase in profits to IRE1.45 million
- Opportunities to maximise value of the Goulding Investment ● Vigorous exploration programme enhances Atlantic Resources acreage in Celtic Sea
- Independent Newspapers maintain profits in a difficult year
- Textile profits up despite decline In consumer buying power ● Shareholders' funds increase by 35% to IR£16.5 million

This is the first year in the past three years that I am able to report had spent over IRE23 million on a substantial increase in profits to you. The most important component in this increase has been Goulding Chemicals Limited.

This is a business with an excellent labour force, first class management, a market stare of approximately 25%, a positive cash flow and total sales in excess of IRESO million I consider Gouldings to be one of the major reorganisations of any linsh business in the past ten years.

The company now offers us three immediate opportunities to maximise its value to Fitzwitton:

- We can maintain our equity position.
 The effect of this would be that at current levels of prolitability we would expect the greater portion of our loans of IRC1 5 million plus accrued interest to be paid in 1 985.
- 2. We can sell all or part of our 50% equity and to date we have received two firm offers which value Gouloing Chemicals at a ligure above that represented in your Balance Sheet today, or
- We can participate in 1985 as a 50% Shareholder in the possible flotation of Goulding Chemicals Limited as an independent company based on a three year record of sales and profit.

All of these attractive allernatives are being considered but I would remind you that we view ourselves for the long term as an investment and not an

I would now like to direct myself to our most exciting and I might add our most frustrating investment, Allantic Resources On 15th November, 1984 in my capacity as Charman of Allantic Resources I wrote to its Shareholders attempting to give them an overview of the company's proposes over the The company's progress over the previous year. Two points were of particular importance in this letter.

exploiation and development over the past lout years without one penny of cost to the overburdened laxpayer (2) This expenditure has not only prospectivity of the Celtic Sea in general, but Atlantic's acreage in particular". Reasonable men may particular i, heasonable men may, indeed will, differ in terms of geological intrepretation but the facts are that despite recent disappointments several ventices emerged from the events of the past four years.

Atlantic Resources was staned by Fitzwillon and could not have been started without Filzwaton's triancial This is what enterprise is all

 Aliantic Resources has in my view locused international interest on the Cellic Sea, an area of limited interest prior to the formation of that Atlantic Resources participated in

the last major oil discovery in the Cettic Sea in the 49/9-2 Well that flowed 10,000 barrels of 44 API Oil A The Management of Atlantic Resources in whose wision your company invested, has in our view been vandicated by the discovery of movable hydrocarbons in the Cellic Sea and we are confident, as I said at last year's Atlantic Resources AGM that Atlantic Resources will be a small to medium size commercial oil company within 3 to 5 years.

We have to be patient and we have to be we have to be patient and we have to be courageous but that too is what enterprise is all about it is our view that our 2/81 Consortum with return to the 49/9 Discovery Block in 1985 after detailed seismic has been completed

and interpreted in order to position the next well appropriately.

Our next largest investment is in our next largest investment is in independent Newspapers and a very good one if has been for this Company. These are very fough times in the newspaper industry, independent is not immune to the current economic decline. in advertising and it too must seek. appropriate lationalisation and technology changes if it is to protect the Company's viability

ils prudeni decision to invest instruction control in the state of the stat greatly strengthened the Company's Balance Sheet with Shareholders lunds now in excess of IRC20 million.

In a year when unemployment reached

In a year when unemployment reached record proportions in this country, when company including State companies went into bankruptcy and liquidation or passed their dividends, when a gleaf number of the reporting companies on the Stock Exchange reported reduced earnings. I would suggest that your Company did a workmantike job. Goulding Chemicals and Chowe Wilson showed enclass ingenuity in a hostile business and economic climate; we paid our dividends and incidentally, in the len year history of this company we have year instory of this curriparty we have and we increased shareholders' funds by 35 per cent. If 1985 brings us any good fortune in natural resources then an exciting future beckons us. In all events your Company will continue to attempt to mix risks with prudence in the firm belief that this is the best route to

Extracts from the statement of Dr. A.J.F. O'Rellly, Chairman of Fitzerton Limited, to the Annual Meeting in Dublin, 7th December 1984. Copies of the full statement available from The Secretary, Fitzeriton Limited,



difference between life and death to the old.

die without proper help.

But by remembering Help the Aged in your Will, you can help transform their lives. And it doesn't just have to be money. Almost

anything you're kind enough to leave us can be used to benefit the old.

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The Rt. Hon, Lord Mayoray-King. Help the Aged. Project 40510. FREEPOST, London EC1B1BD.

Help the Aged

Eulabank to omit dividend

of zero coupon issues.

BY DAVID LASCELLES, BANKING CORRESPONDENT, IN LONDON

THE 22 bank shareholders of Eula- in Central or South America, the tal and reserves increased from bank, the Loodon-based consortium main countries being Brazil (26.5 £33.3m to £38m. bank which specialises in Latin per cent of the total), Argentina Eulabank is American lending, bave foregone their dividend for the third consecutive year in order to build up the bank's reserves.

EUROBONDS

BY MAGGIE URRY IN LONDON

THE EURODOLLAR bond market

rallied sharply yesterday, but the

gains caught new issue managers

by surprise and oo deals appeared.

Bond prices added at least ½
point on the back of falling interest

rates and hopes of a discount rate

The three Prudeotial issues,

most obvious targets for buyers and

all were pushed up. The 10-year is-

sue, in demand because of a lack of

pons of which have recently been

refixed - giving the longest period at the higher interest rates - gained

as much as 10 basis points as Euro-

dollar deposit rates fell by % a

paper in that area, traded best. Floating rate note issues, the cou-

which total over \$1bn, were the

such provision", but it gives no de-

la 6.8 per cent.

After-tax profits for the year end- countries in the region. In its latest annual report relessed yesterday, Eulabank says it is making provisions against loans "which are doubtful of collection or where the country risk demands such provision", but it gives no described by the such provision in the region.

Axter-tax proints for the year ending September 30 were £4.5m last manager, said the bank had adopt the doubtful of collection or where the country risk demands was due to the strength of the dolsuch provision. But it gives no described by the strength of the dollar in which most of its leave and the region.

Mr George Munson, the general manager, said the bank had adopt the countries in the region.

Mr George Munson, the general manager, said the bank had adopt the provision in the region.

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Mr George Munson, the general manager, said the bank had adopt the provision of the dolwhere the country risk demands where the country risk demands are the provision of the dolsuch provision.

Eulabank is half owned by II (15.9 per cent), Chile (15.4 per cent), European banks, including Bar-Mexico (13.4 per cent) and Venezue-la 6.8 per cent.

European banks, including Bar-clays, and half by 11 Latin Ameri-can banks representing the large sia tarifi

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a 7% per cent coupon and par issue price. They traded well, at about

99% compared with a 1% per cent

Swiss franc band prices were little changed in quiet trading.

coupon for the SwFr 50m private placement for Keihin Electric Ex-

press Railway from 3% per cent to 3% per cent. The equity warrants

European currency unit issue, worth Ecu 50m, allowed Societe

Génerale de Banque to set a 100%

Credit Suisse was able to cut the

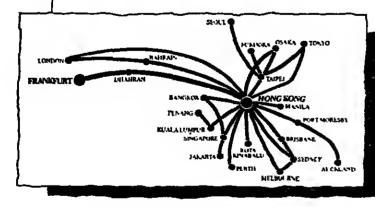
selling concession.

lar, in which most of its loans were improve so long as interest rates denominated. Because of the decistayed at reasonable levels and Virtually all the bank's loans are sion to omit the dividend, total capitrade was healthy.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for December 18.

101% 101% +0% +0% 7.12 101 101% +0% -0% 7.20 100% 101% -0% 0 5.82 89% 100% +0% 0 7.81 0.00 +0% 100% +0% 0 7.81 Entrifies 7½ 94 18 int-Am Day Bit 7½ 94 18 New Zealand 7½ 99 15 World Bank 7 94 20 201 101 of 102 o + 8% 11.51 + 8% 12.63 + 8% 12.63 + 1 11.62 + 16% 12.11 + 16% 12.11 + 16% 12.11 + 16% 12.11 + 16% 11.17 + 16% 11.27



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